



**Consolidated Accounts
of STC & its Subsidiary
2014-15**

INDEPENDENT AUDITOR'S REPORT

**To the Members of
The State Trading Corporation of India Limited**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **THE STATE TRADING CORPORATION OF INDIA LIMITED** ("the Company") and its subsidiary (collectively referred as "the Group"), which comprise the consolidated Balance Sheet as at 31st March, 2015, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Financial Statements

The holding Company's Board of Directors is responsible for preparation of these consolidated financial statements in terms of requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

4. Basis for Qualified Opinion

- a) With respect to Subsidiary company, provision for liability towards earned leave and half pay leave encashment of ₹ 0.76 crore, Gratuity provision of ₹0.15crore as on 31 March 2015 and post retirement medical benefits is not made on the basis of Actuarial valuation as required under 'AS-15 Revised'. In the absence of Actuarial reports, we are unable to quantify the impact if any on the consolidated financial statements.

- b) With respect to Subsidiary company audited PF trust accounts for the year ended 31.3.2015 were not provided, in the absence of audited PF trust account, we are unable to comment thereon.
- c) The audited financial statements of the joint venture company i.e.M/s NSS Satpura Agro Development Co. Ltd is not available after 31st March 2013, hence further diminution in the value of ₹ 0.02 crore is not considered in consolidated accounts as result investments are overstated by ₹ 0.02 crore and accumulated loss is understated by ₹ 0.02 crore.
- d) The Subsidiary company has weak finance and operating controls, some of the areas are –
 - i. The lease rent of steam sterilization unit located in Chindwara, Madhya Pradesh was not collected during the period of lease i.e. 1st November 2013 till the lease was terminated as on 31st January 2015. The Subsidiary company has not exercised its right to terminate the lease despite rent remaining unpaid throughout the lease period. The company has not initiated any legal proceeding against the lessee for recovery of its dues.
 - ii. The Central Government, in exercise of powers conferred under section 5 of the Foreign Trade (Development & Regulation) Act, 1992 has withdrawn the requirement of NOC to onion exporters through notification no. 73 (RE-2013)/2009-2014 dated 12th March 2014. Although NOC service was not rendered after the Notification, the Subsidiary company did not vacate the rented buildings where this service was rendered forthwith. The rented buildings was in occupation up to August 2014 with respect to buildings located in Chennai, Kolkata, Mumbai, and Tuticorn, the rent of the aforesaid buildings amounting to ₹ 0.02 crore may have been avoided.

5. Emphasis of Matters

- a) Reference is invited to note no. 18.1 relating to contracts of scraps, where transactions of purchases and sales and recoveries had not taken place in terms of contracts. Pending outcome of legal steps initiated for recovery, full provision of ₹ 87.39 Crore was made in earlier year. However, the Holding Company is successful in getting Arbitration Award of ₹ 110.00 Crore in its favour along with 12% interest per annum from 1st May 2006 till realization of award which has been objected by the party and hearing is pending in this case before Hon'ble High Court, New Delhi.
- b) Reference is invited to note no. 19.1, regarding long term trade receivable ₹ 568.44 Crore on account of export of pharma product to foreign buyer on back to back basis. As there is default in the payment against export bills by the buyers which have ultimately gone into liquidation, litigation process have been initiated by the Holding Company as well as by Indian Associates and their bankers. A claim of ₹ 527.86 Crore has been admitted by the liquidator. There is however corresponding credit balance of ₹ 568.44 Crore under trade payables. Management of Holding Company does not anticipate any liability on this account.
- c) Reference is invited to note no. 22.1, regarding trade receivable of ₹ 122.46 Crore due from Jhagadia Copper Limited. The Business Associate is under Liquidation. The entire amount is secured by pledge of stocks to the Holding Company (procured under advance license with export obligation). Financial impact of the same cannot be ascertained at this stage.
- d) Reference is invited to note no 22.2, regarding long term trade receivable of ₹ 1640.53 Crore due from one of the business associates who have stopped operation of their plant due to extreme volatility of prices. Consequent upon Conciliation Agreement dated 15.11.2011 and further settlement agreement dated 17.05.2012 the entire dues were payable to the Holding Company by 10.11.2012. During the year, the business associate remitted an amount of ₹ 33 crore and has sought more time for payment. The same was not agreed by the Holding Company and case for enforcement of decree was filed before the Hon'ble Supreme Court and decree was noted to be final. The Management of the Holding Company is hopeful of full recovery.
- e) Reference is invited to note no. 25.1, regarding claims recoverable include ₹ 2.72 crore towards carrying costs for delayed lifting of pulses by State Governments. Claim for the same was lodged during the year 2011-12 and the same is being followed up with the State Governments. Since, there is credit balance available with the Holding Company, no provision is considered necessary.
- f) Reference is invited to note no. 45(b), regarding contingent liability of ₹ 82.57 crore payable to foreign supplier as per arbitral award, for which the Holding Company has filed appeal in the Hon'ble Delhi High Court and simultaneously lodged the claim with Ministry of Consumer Affairs as transaction was under taken on their behalf. In view of the above no provision is considered necessary.

- g) Reference is invited to note no. 19.2, regarding long term trade receivable of ₹ 788.47 Crore under the Credit Linked Insurance Scheme (CLIS) for export of gold jewellery etc. against which corresponding credit balance of ₹ 342.18 Crore are available, leaving net receivable of ₹ 446.29 Crore. Actions against the business associate have been initiated. The matter is being pursued legally and Holding Company is hopeful of recovery. As a measure of abundant caution full provision of ₹ 446.29 Crore being net receivable, has been made.
- h) Reference is invited to note no. 19.5, regarding long term trade receivable of ₹ 59.23 crore recoverable from one of the business associates for goods sold in earlier years. The entire overdue is secured by pledge of stocks in favour of the Holding Company. The party has paid an amount of ₹ 19.50 crore during the current year. However, upon non-payment of entire overdue, the Holding Company resorted to sale of the pledged stocks to another party and an amount of ₹ 33.65 crore was received as advance payment up to 31.03.2015 from the buyer against sale. Hence, no provision is considered necessary.
- i) Reference is invited to note no. 19.8, regarding long term trade receivable of ₹ 58.55 Crore due from one of the business associates for goods sold in earlier years. The entire balance overdue is secured by pledge of stocks in favour of the Holding Company. In current year payment of ₹ 5 Crore received from the party. The company has invoked risk sale clause of the agreement and floated tender for sale of pledged stocks. The Management of the Holding Company is hopeful of the full recovery.
- j) Reference is invited to note no. 19.1, regarding long term trade receivable of ₹ 10.21 crore recoverable from MARKFED, Govt. of Maharashtra (GOM) towards supply of RBD Palmolien under PDS Scheme during the year 2010-11 and 2011-12. All amounts relating to this supply were received by the Holding Company except the outstanding balance of ₹ 10.21 crore pending for final reconciliation at their end. Matter is being constantly taken up with MARKFED, Govt. of Maharashtra for recovery. The Management of the Holding Company is hopeful of the full recovery.
- k) Reference is invited to note no. 47 relating to Pending reconciliation/confirmation of balances in parties accounts, claims recoverable, advances and current liabilities and consequential adjustment that may arise on reconciliation.
- l) Attention is drawn to note no. 63(iii)(h) which state that, the original financial statements of the Subsidiary Company approved by the Board of the Subsidiary Company in its 148th meeting held on 20.05.2015 was presented to statutory auditors of the Subsidiary Company for their opinion, based on which the statutory auditor had given their report on 16.06.2015. The audited financial statements along with auditors report was forwarded to C&AG. The auditors had qualified that the accounts are not prepared on the liquidation basis even though the Subsidiary Company has stated that the financial statements are prepared on the basis that Subsidiary Company is not a going concern. The Board of the Subsidiary Company in its 149th meeting held on 02.07.2015 approved for re-drawing the accounts on liquidation basis. In this regard the Subsidiary Company has informed to C&AG vide its letter No. STC:ACCTS:MAB:14-15:275 dt. 03.07.2015. Accordingly Subsidiary Company has re-drawn the accounts on liquidation basis i.e. the assets have been revalued on realizable basis, whereas the liabilities towards banks have been stated at book value in view of legal cases initiated by the banks against Subsidiary Company for recovery of their dues by the banks and all other liabilities at their settlement value.

Change in revised accounts tabulated as follows:

Particulars	Original Financial Statements of Subsidiary Company	Revised Financial Statements of Subsidiary Company	Difference	Reasons of difference
Reserves and Surplus	(28,61,92,10,181)	(28,63,09,08,681)	1,16,98,500	The reserves and surplus which were shown in the original financial statements has been changed on account of recognition of loss arising out of revaluation of assets amounting to ₹ 9932353/-, provision for lease rent receivable ₹ 1796655/-, trade receivable written off ₹ 94425/-, bank charges ₹ 1168/- and interest income ₹ 126097/-.

Particulars	Original Financial Statements of Subsidiary Company	Revised Financial Statements of Subsidiary Company	Difference	Reasons of difference
Long term provisions	2,87,35,556	-	2,87,35,556	The long term provisions which were shown in original financial statements are being shown under short term provisions in revised financial statements.
Short term provisions	16,80,888	3,04,16,444	(2,87,35,556)	The long term provisions which were shown in the original financial statements are being shown under short term provisions in revised financial statements.
Short term borrowings	11,85,26,56,804	11,85,26,44,829	11,975	Interest on margin money was not accounted has now been accounted as per 26AS. The above interest is adjusted against short term borrowings
Tangible assets	5,89,21,264	4,89,88,911	99,32,353	In the original financial statements tangible assets are shown at historical cost less depreciation & impairment loss, if any. In the revised financial statements the value of tangible assets are recorded as per valuation report of registered valuers & chartered engineers vide their report dated 13.07.2015.
Long term loans & advances	11,37,12,640	11,38,18,665	(1,06,025)	The TDS receivable which was not accounted has now been accounted as per 26AS.
Trade Receivable	29,41,080	10,50,000	18,91,080	₹ 94,425/- receivable from onion debtors have been written off and ₹ 17,96,655/- receivable from the lease towards lease rent has been provided for.
Cash & cash equivalents	4,03,58,287	4,03,57,119	1,168	Bank charges has been accounted as per the bank confirmation statement received subsequently.
Short term loans & advances	34,06,171	34,14,272	(8,101)	Interest on security deposit was not accounted has now been accounted as per 26AS. The above interest is adjusted against short term loans and advances.

- m) Attention is drawn to note no. 57, which states that the Subsidiary Company had appointed M/s. ICRA Management Consultancy Services, to prepare a Turn-around Plan for the Subsidiary Company in view of its weak financial position. Based on the Report submitted by the Consultant, the Board of Directors of the Subsidiary Company has passed a Resolution on 18.04.2013 to take necessary steps for Winding-up of the Subsidiary Company and to introduce a voluntary separation scheme [VSS] to employees. The Union Cabinet has approved in its meeting held on 13.08.2013 for winding up of the Subsidiary Company (STCL Limited). Accordingly the Subsidiary Company has filed winding up petition dtd. 26.11.2013 before High Court of Karnataka which is pending for disposal. The Subsidiary Company has offered VSS to the regular employees during the September 2013 out of total strength of 51 employees, 32 employees have opted for VSS.
- n) Attention is drawn to Note no. 61 which states that, in cases where the Subsidiary Company has made Provision for Doubtful Debts, no further interest/additional margin of profit are recognized after they have been classified as doubtful debts. Any amount received from these parties after being classified as doubtful debts is being credited to their accounts and necessary entry for withdrawal of provisions are made, only after the full receipt of the balance outstanding as per books, the interest / additional margin of profit will be recognized on collection basis.

- o) Attention is drawn to Note no. 8.4 which states that, Subsidiary Company has to pay ₹ 2869.61 crore to consortium of seven banks and UCO Bank in respect of devolved LCs/Packing credits since 2008-09. No confirmation has been received from bank on the principal amount of ₹ 1185.26 crore except from State bank of India & Union bank of India. However, cash credit/short term loan had agreed with the claim in the DRT (Debt Recovery Tribunal) application filed by consortium of seven banks and UCO bank on 20.07.2011. The above loan has been classified as NPA by consortium banks and UCO bank. The Subsidiary Company has created pari passu charge on the current assets in favour of the banks and also created mortgage of immovable properties situated at Chhindwara [3.239 hectares], Byadgi [5 acres], Siddapura [2.25 acres] and Madikeri [0.50 acres] in favour of the Bankers. In view of the immovable properties of Subsidiary Company given as security, an estimated amount of ₹ 1.80 crore out of the total advances can be considered as secured. The consortium of banks and UCO Bank have filed cases separately against the Subsidiary Company with the Debt Recovery Tribunal and the bankers have also issued notice u/s 13(2) of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. Further based on the above, the bankers have issued two Possession Notices one dt.26.10.2011 on the Factory Land and Building located at Byadagi and another dt. 17.11.2011 on Factory Land and Building located at Chhindwara, Madhya Pradesh.
- p) Attention is drawn to Note no. 10.5 which states that interest payable of ₹ 1684.35 crore on the principal amount due to the banks is arrived on the basis of the interest rates disclosed in the Debt Recovery Tribunal application filed by banks. Interest provision of ₹409.03 crore have been made by the Subsidiary Company for the current financial year. However no confirmation is received from bank for interest payable.

6. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements subject to our observations in Paragraph 4 and read together with Significant Accounting Policies and Notes to the Consolidated Financial Statements and Other Notes, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March, 2015 and its Loss and cash flows for the year ended on that date.

7. Other Matters

We did not audit the revised financial statement of subsidiary (M/s STCL Limited) whose Revised financial statements reflect total assets of ₹ 20.81 Crore as at 31st March 2015, total revenue of ₹ 1 Crore and cash flows amounting to (-)₹ 0.22 Crore for the year ended on that date, as considered in the consolidated financial statements. The financial statements have been audited by the other auditor whose report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of other auditor on such revised audited financial statements of the subsidiary.

Our opinion on the consolidated financial statements and our report on other legal and regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor

Attention is drawn to note no. 64 regarding non consolidation of financial statements of Joint Ventures namely NSS Satpura Agro Development Co. Limited, and associates Richfield Aquatech Ltd, Blue Maritech Ltd, National Tannery Company Ltd, Indopirin Gloves Ltd due to non-availability of financial statements for the year 2014-2015. However, as regards M/s Sealac Agro Ventures Limited no details were provided and disclosed in consolidated financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the auditor's reports of the Holding Company and the Subsidiary Company incorporated in India, we give in the Annexure '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 to the extent applicable that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements except

- (i) certain old records/information at Mumbai branch and legal case details at Ahmedabad branch of Holding Company and
 - (ii) balance confirmation of parties as mentioned in para no. (k) above under Emphasis of Matters.
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of other auditor except for matters mentioned in Basis for Qualified Opinion above.
- (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except for matters mentioned in Basis for Qualified Opinion above.
- (e) On the basis of the written representations received from the directors of the Holding Company appointed during financial year 2014-15 at the time of appointment and further confirmed by the Holding Company none of the directors are disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act. Prior to 1-4-2014 in terms of Notification no GSR 829(E) dt. 21-10-2013 issued by Department of Company Affairs, Government of India, the provisions of section 274(1)(g) of Companies Act, 1956 were not applicable to the Group.
- (f) 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
 - iii. (a) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company except a sum of ₹ 24750/- as referred in Note No. 6.2 to the consolidated financial statements.
 - (b) There were no amounts which were required to be transferred to investor education and protection fund by its subsidiary company incorporated in India
3. The Holding Company has not complied with the provisions of section 149 of the Companies Act, 2013, read with clause 49 of the listing agreement in respect to Independent Directors.

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

Place : New Delhi
Date : 18th September, 2015

Sd/-
(Pankaj Jain)
Partner
M. No. 097279

ANNEXURE 'A' TO INDEPENDENT AUDITOR'S REPORT

Re: The State Trading Corporation of India Limited Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report on consolidated accounts of even date

1. (a) The Group has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except that updation of fixed assets register with respect to addition made in the new premises at Chennai Branch of Holding company.
 - (b) The fixed assets were physically verified by the management during the year except
 - (i) With respect to Holding company, the physical verification of fixed assets at Corporate Office is under process. We have been informed that no material discrepancies were noticed on physical verification wherever done.
 - (ii) With respect to Subsidiary company the physical verification was conducted through a registered valuer and chartered engineer for the purpose of valuation of fixed assets who has given his report on 13.07.2015. The report identifies major assets like land, building and plant & machinery. However the assets which are not in active use and held for disposal has not been physically verified and valued in lumpsum. In our opinion the physical verification done by management is inadequate with respect to coverage and frequency.
 2. (a) (i) With respect to Holding Company it is explained to us, that verification of inventories is undertaken through the surveyor from time to time. In respect of the goods in the custody of third parties, certificate is obtained from the Clearing & Handling Agents or the warehousing corporation or from the concerned parties. In our opinion, the verification of goods like coal, wheat, copper etc. is not by actual weighment, but by actual receipt and dispatch without accounting for losses due to handling /obsolete / non- moving stock. In respect of stock of Wheat 1925.780 MTs at Kandla Port lying since the year 2004-05 as there was no confirmation of the quality and quantity available, the value of the same is being taken as nil at Ahmedabad Branch of Holding Company.
 - (ii) With respect to Subsidiary Company, the stock of inventory has been physical verified at reasonable intervals by the management.
 - (b) (i) With respect to holding Company, in our opinion though the procedures for physical verification is in place and instructions & guidelines are issued from time to time for verification of stock/inventories, but the same be followed strictly for materials which are handled by and are in custody of third parties. The Ahmedabad Branch auditor of the holding Company has reported that the management has not laid down proper guidelines with regard to the periodicity and procedure for verification which is necessary to strengthen its control over materials.
 - (ii) With respect to subsidiary company, as per report of the auditor of Subsidiary Company, the procedure for physical verification of inventories followed by the management is reasonable and adequate in relation to size of the subsidiary company and its nature of business.
 - (c) (i) With respect to holding Company, separate stock register are not maintained. However, transaction-wise-stock details are compiled for control over the stock and necessary details are obtained from the custodian of stock viz., Port Authorities, Warehouse of Business Associates. Discrepancies, wherever noticed on verification have been properly dealt with, except in case of stock of wheat at Kandla as mentioned in Para 2(a) above in our report.
 - (ii) With respect to subsidiary company, proper records of inventories had been maintained. As per report of the auditor of Subsidiary Company, there was no material discrepancies noticed on physical verification of inventories as compared to the books of account.
3. As informed to us and as per report of the auditor of Subsidiary Company, the Group has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, clauses (iii)(a)&(b) of paragraph 3 of the Order are not applicable to the Company.

4. In our opinion, according to the information and explanations given to us, and as per report of the auditor of Subsidiary Company
- (i) With respect to Holding Company, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. On the basis of our examination and according to the information and explanation given to us, we have not observed any continuing failure to correct major weaknesses in internal control system during the course of the audit. However, internal control system regarding review, realization of advances and other claims and reconciliation of balance of sundry debtors and creditors require strengthening. The deficiencies/weakness in implementing the internal control system i.e. no specific authorization level to make modifications in the entries prepared in the system is reported at Chennai Branch of Holding Company. The internal control system for the purchase and sale of inventory, services and fixed assets need to be strengthened, considering the size of the branch and the nature of its business at Ahmedabad Branch of Holding Company.
 - (ii) With respect to subsidiary company, the system of internal control is found inadequate with respect to the following :
 - (a) The lease rent of steam sterilization unit located in Chindwara, Madhya Pradesh was not collected during the period of lease i.e. 1st November 2013 till the lease was terminated as on 31st January 2015. The Subsidiary company has not exercised its right to terminate the lease despite rent remaining unpaid throughout the lease period. The company has not initiated any legal proceeding against the lessee for recovery of its dues.
 - (b) The Central Government, in exercise of powers conferred under section 5 of the Foreign Trade (Development & Regulation) Act, 1992 has withdrawn the requirement of NOC to onion exporters through notification no. 73 (RE-2013)/2009-2014 dated 12th March 2014. Although NOC service was not rendered after the Notification, the Subsidiary company did not vacate the rented buildings where this service was rendered forthwith. The rented buildings was in occupation up to August 2014 with respect to buildings located in Chennai, Kolkata, Mumbai, and Tuticorn, the rent of the aforesaid buildings amounting to ₹ 0.02 crore may have been avoided.

However there is no continuing failure to correct major weakness in internal control system as the subsidiary company has stopped its operations and is in the course of winding up.
5. The Group has not accepted any deposits from the public during the year and consequently, the directives issued by Reserve Bank of India, the provisions of sections 73 to 76 of the Act and rules framed there under are not applicable to the Group, except certain old amount outstanding in advances from customers/credit balance in customer account which as explained to us is immaterial and is subject to reconciliation and adjustment, if any, at the Holding Company.
6. As informed by the Management of Holding Company and as per report of the auditor of Subsidiary Company, the Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act for the Group.
7. (a) According to the records produced before us and as per report of the auditor of Subsidiary Company, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have been generally regularly deposited with the appropriate authorities. There were no undisputed amounts payables in respect of the aforesaid dues which were outstanding as at 31st March, 2015 for a period of over six months from the date they became payable except an amount of ₹ 6.67 crore towards Income Tax for A.Y 2010-11 and Sales Tax of ₹ 0.03 crore for the year 1995-96 by the Subsidiary Company.
- (b) According to the information and explanations given to us and as per report of the auditor of Subsidiary Company, following disputed statutory dues on account of Income tax, Sales tax/VAT and Service tax is payable by the Group.

Name of the statute	Nature of dues	Amount (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
Income Tax				
INCOME TAX ACT	Income Tax	4.07	2009-10	ITAT, Delhi
INCOME TAX ACT	Penalty	2.58	2009-10	CIT(A), Delhi
INCOME TAX ACT	Income Tax	50.22	2010-11	CIT(A), Delhi
INCOME TAX ACT	Income Tax	6.19	2011-12	CIT(A), Delhi
INCOME TAX ACT	Income Tax	5.47	2012-13	CIT(A), Delhi
Sales Tax				
TNGST/AST/CST				
(Chennai Branch)	Sales Tax (incl. penalty)	0.84	1974-75, 1975-76, 1986-87, 1987-88, 1989-90 & 1991-92	Hon'ble Madras High Court
Central Sales Tax Act (Chennai Branch)	Central Sales Tax	0.01	1987-88	Appellate Tribunal
Bihar Sales Tax Act (Kolkata Branch)	Sales Tax	0.02	1981-82	Sales Tax Appellate Tribunal
Central Sales Tax Act (Kolkata Branch)	Central Sales Tax	0.07	1981-82	Assessing Officer
Orrisa Sales Tax Act (Kolkata Branch)	Sales Tax	0.01	1988-89	Commissioner (Appeals), Orrissa
Central Sales Tax Act (Kolkata Branch)	Central Sales Tax	0.02	1993-94 to 1995-96	Hon'ble Assam High Court
Central Sales Tax Act (Kolkata Branch)	Central Sales Tax	0.23	2003-04	Joint Commissioner, Sales Tax
Delhi VAT Act	Sales Tax	1017.43	2006-07	Special Commissioner VAT
Delhi VAT Act	Sales Tax	0.34	2007-08	DVAT, Appellate Tribunal
Delhi VAT Act	Sales Tax	0.02	2010-11	Sales Tax Officer
Maharashtra Sales Tax Act	Sales Tax	140.17	1992-93, 1996-97 & 2000-01	Maharashtra Sales Tax Tribunal
Maharashtra Sales Tax Act	Sales Tax	1000.75	1993-94, 2002 to 2007 & 2010-11	Joint Commissioner Sales Tax
KGST Act	Sales Tax	0.07	1997-98	Sales Tax Appellate Tribunal, Kerala
CST Act	Sales Tax	0.01	1997-98	Sales Tax Appellate Tribunal, Kerala
TNGST Act	Sales Tax	0.03	2001-02	Sales Tax Appellate Tribunal, Tamil Nadu
TNGST Act	Sales Tax	0.32	2005-06	Deputy Commissioner of Commercial Taxes Appeals, Madurai

Name of the statute	Nature of dues	Amount (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
KGST Act	Sales Tax	0.56	2006-07	Sales Tax Appellate Tribunal, Kerala
Claim by TNCSCCL for refund of tax portion on value of goods supplied	Sales tax	0.14	2002-03	High court, Chennai
TNGST Act	Sales Tax	0.02	2006-07	Deputy Commissioner of Commercial Taxes Appeals, Madurai
TNGST Act	Sales Tax	1.16	2007-08	Madras High Court
TNGST Act	Sales Tax	0.12	2008-09	Madras High Court
Service Tax				
Finance Act, 1994 (Kolkata Branch)	Service Tax	7.29	2005-06 to 2006-07	CESTAT
Finance Act, 1994	Service Tax	7.96	2007-08 to 2013-14	Commissioner Service Tax Delhi
Finance Act, 1994	Service Tax	1.43	2012-13	Commissioner Service Tax Bangalore

- (c) According to the information and explanations given to us and, as per report of the auditor of Subsidiary Company, the amounts which were required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules there under has been transferred to such fund within time except a sum of ₹ 24750/-, as referred in note no. 6.2 to the consolidated financial statements by Holding Company.
8. (i) The Holding company has no accumulated losses at the end of financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year,
- (ii) However the subsidiary company has accumulated losses at the end of the year exceeding 50% of its net worth and has incurred cash losses in the financial year and in the immediately preceding financial year .
9. Based on our audit procedure and the information and explanations given by the management of Holding Company and, as per report of the auditor of Subsidiary Company
- (i) the Holding Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders during the year.
- (ii) however, the Subsidiary Company has defaulted in repayment of dues to banks, where amount of ₹ 2869.61 crore is outstanding to banks since financial year 2008-09.
10. In our opinion and according to the information and explanations given to us and, as per report of the auditor of Subsidiary Company, the Group has not given any guarantee for loans taken by others from banks or financial institutions.

11. According to the information and explanations given to us, and as per report of the auditor of Subsidiary Company, no term loan has been obtained by the Group during the year except renewal of existing working capital term loan of ₹ 216.28 crore for another two years with respect to Holding Company.
12. According to the information and explanations given to us and, as per report of the auditor of Subsidiary Company, no material fraud on or by the Group has been noticed or reported during the course of our audit.

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

Place : New Delhi
Date : 18th September, 2015

Sd/-
(Pankaj Jain)
Partner
M. No. 097279

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

PARTICULARS	Note No.	As at 31st March, 2015	As at 31st March, 2014
(₹ in Crore)			
I. EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share capital	1	60.00	60.00
(b) Reserves & Surplus	2	(1,882.67)	(2,412.17)
(c) Money received against share warrants	3	-	-
(2) Share application money pending allotment	4	-	-
TOTAL (1+2)		(1,822.67)	(2,352.17)
(3) Non-Current Liabilities			
(a) Long-term borrowings	5	176.28	-
(b) Other long term liabilities	6	1,167.07	1,155.21
(c) Long-term provisions	7	101.46	100.82
TOTAL (3)		1,444.81	1,256.03
(4) Current Liabilities			
(a) Short-term borrowings	8	2,313.12	2,473.06
(b) Trade Payables	9	726.65	304.56
(c) Other current liabilities	10	1,994.69	1,634.02
(d) Short-term provisions	11	18.91	16.59
TOTAL (4)		5,053.37	4,428.23
Total		4,675.51	3,332.09
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	12	964.46	68.89
(ii) Intangible Assets	13	-	0.04
(iii) Capital Work In Progress	14	0.39	0.86
(iv) Intangible Assets under development	15	-	-
Total (a)		964.85	69.79
(b) Non-Current investments	16	0.24	0.34
(c) Deferred tax assets (net)	17	73.01	73.01
(d) Long-term loans and advances	18	23.59	33.07
(e) Other non-current assets	19	1,111.66	1,060.99
TOTAL (1)		2,173.35	1,237.20
(2) Current Assets			
(a) Current investments	20	-	-
(b) Inventories	21	5.52	1.05
(c) Trade receivables	22	2,425.35	1,968.51
(d) Cash and cash equivalents	23	10.55	63.71
(e) Short-term loans and advances	24	39.05	34.26
(f) Other current assets	25	21.69	27.36
TOTAL (2)		2,502.16	2,094.89
Total		4,675.51	3,332.09
Significant Accounting Policies	44		
Other Notes	45-66		

Notes referred to above form an integral part of accounts.
As per our report of even date attached

FOR P. JAIN & COMPANY

Chartered Accountants
Firm Reg. No. 000711C

**Sd/-
(PANKAJ JAIN)**

Partner
M. No. 097279

Place : New Delhi
Dated : 18.09.2015

**Sd/-
(KHALEEL RAHIM)**
Chairman & Managing Director

**Sd/-
(B R DHAWAN)**
Chief General Manager (Finance)

**Sd/-
(S.K. SHARMA)**
Director

**Sd/-
(R K GOGIA)**
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

		(₹ in Crore)		
PARTICULARS	Note No.	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014	
I.	Revenue from operations	26	14,494.01	15,538.68
II.	Other income	27	242.46	210.05
III.	Total Revenue (I+II)		14,736.47	15,748.73
	Expenses-			
	a) Cost of materials consumed	28	0.05	0.16
	b) Purchases of stock-in -Trade	29	14,388.61	15,297.47
	c) Changes in inventories of finished goods, work -in-progress and stock-in-trade	30	(4.37)	42.51
	d) Employee benefits expense	31	101.98	136.83
	e) Finance costs	32	566.87	504.42
	f) Depreciation and amortisation expense	33	20.61	5.27
	g) Other expenses	34	40.05	37.57
IV.	Total expenses (a+b+c+d+e+f+g)		15,113.80	16,024.23
V.	Profit before exceptional and extraordinary items and tax (III-IV)		(377.33)	(275.50)
VI.	Exceptional items - Debit/(Credit)	35	4.96	569.55
VII.	Profit before extraordinary items and tax (V-VI)		(382.29)	(845.05)
VIII.	Extraordinary items	36	-	-
IX.	Prior Period Adjustment Net - (Debit)/Credit	37	1.11	0.15
X.	Profit before tax (VII-VIII+IX)		(381.18)	(844.90)
XI.	Tax expense:			
	(1) Current tax (MAT)	38	9.81	-
	(2) Tax relating to earlier years		(0.79)	(0.18)
	(3) MAT Credit Entitlement		(3.81)	-
	(4) Deferred tax	39	-	-
	Total Tax Expense (XI)		5.21	(0.18)
XII.	Profit(Loss) for the period from continuing operations (X-XI)		(386.39)	(844.72)
XIII.	Profit (loss) from discontinuing operations	40	-	-
XIV.	Tax expense of discontinuing operations	41	-	-
XV.	Profit (loss) from discontinuing operations after tax (XIII-XIV)		-	-
XVI.	Profit (Loss) for the period (XII +XV)		(386.39)	(844.72)
XVII.	Earnings per equity share			
	(1) Basic (in ₹)	42	(64.40)	(140.79)
	(2) Diluted (in ₹)	43	(64.40)	(140.79)
	Significant Accounting Policies	44		
	Other Notes	45-66		

Notes referred to above form an integral part of accounts.
As per our report of even date attached

FOR P. JAIN & COMPANY

Chartered Accountants
Firm Reg. No. 000711C

Sd/-
(PANKAJ JAIN)

Partner
M. No. 097279

Place : New Delhi
Dated : 18.09.2015

Sd/-
(KHALEEL RAHIM)
Chairman & Managing Director

Sd/-
(B R DHAWAN)
Chief General Manager (Finance)

Sd/-
(S.K. SHARMA)
Director

Sd/-
(R K GOGIA)
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

PARTICULARS	(₹ in Crore)	
	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax & Extraordinary Items	(382.29)	(845.05)
Adjustment for:		
-Interest on working capital loans	548.38	502.81
-Depreciation	20.61	5.27
-Net write back of Advances	10.97	104.47
-Income/Expenditure relating to let out property	(17.82)	(16.30)
- Loss on revaluation of Fixed assets	2.20	
- Interest Income	(0.36)	
-Loss on sale of asset	0.01	0.07
-Liabilities written back	(7.77)	(18.30)
-Profit on sale of assets	(0.02)	(0.02)
-Net Write off Assets	0.01	-
-Provision for Investment	0.10	-
-Amortization of Grant under ASIDE scheme	(0.30)	(0.63)
	556.01	577.37
Operating Profit Before Working Capital Changes	173.72	(267.67)
Adjustment for:		
-Trade and other receivables	(504.20)	818.45
-Inventories	(4.47)	42.54
-Trade and other payables	365.77	(408.50)
Changes In Working Capital	30.82	184.82
Income tax paid	(7.76)	(3.81)
Cash Flow Before Prior Period Items	23.06	181.01
Prior period adjustment	0.69	0.14
Net Cash Generated/Used In Operating Activities (A)	23.75	181.15
B CASH FLOW FROM INVESTING ACTIVITIES:	-	-
-Purchase of Fixed Assets	(1.28)	(9.89)
-Sale of Fixed Assets	0.06	0.15
-Let out properties (net)	17.82	16.30
-Interest received on Fixed Deposits	0.35	0.47
Net Cash From Investing Activities (B)	16.95	7.03

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

PARTICULARS	(₹ in Crore)	
	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
C CASH FLOW FROM FINANCING ACTIVITIES :	–	–
-Dividend paid (including Dividend Tax)	–	(14.04)
-Decrease in Working Capital Loan(net)	46.75	(217.59)
-Interest Paid	(139.30)	(153.32)
Net Cash From Financing Activities (C)	(92.55)	(384.95)
Net Increase/Decrease In Cash And Cash Equivalents (A+B+C)	(51.85)	(196.77)
Reconciliation of Cash & Cash Equivalents	–	–
Closing Cash & Bank Balances as per Balance Sheet	6.73	58.58
Opening Cash & Bank Balances as per Balance Sheet	58.58	255.35
Cash & Bank Balances as per Cash Flow Statement	(51.85)	(196.77)
Significant Accounting Policies	44	
Other Notes	45-66	

Notes referred to above form an integral part of accounts.
As per our report of even date attached

FOR P. JAIN & COMPANY

Chartered Accountants
Firm Reg. No. 000711C

**Sd/-
(PANKAJ JAIN)**

Partner
M. No. 097279

Place : New Delhi
Dated : 18.09.2015

**Sd/-
(KHALEEL RAHIM)**
Chairman & Managing Director

**Sd/-
(B R DHAWAN)**
Chief General Manager (Finance)

**Sd/-
(S.K. SHARMA)**
Director

**Sd/-
(R K GOGIA)**
Company Secretary

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

NOTE NO. 1 SHARE CAPITAL

Particulars	As at 31st March, 2015	As at 31st March, 2014
I) Authorized Share Capital		
20,00,00,000 Equity Shares having face value of ₹10/- each	200.00	200.00
II) Issued, Subscribed & Fully Paid up		
6,00,00,000 Equity shares having face value of ₹10/- each	60.00	60.00

III) Details of Bonus Issue during the preceding five years :

-----NIL-----

IV) Equity shares issued and subscribed do not enjoy any differential rights

V) Reconciliation of no. of shares :

Class of share capital	Opening as at 01.04.2014	issued during the year	Shares bought back during the year	Closing as at 31.03.2015
Equity share of ₹10/- each	6,00,00,000	-	-	6,00,00,000
Previous Year	6,00,00,000	-	-	6,00,00,000

VI) Details of Share holders holding more than 5% shares

S. No.	Name	31.03.2015	31.03.2014	31.03.2015	31.03.2014
		No. of shares held		% of shares held	
1	Govt. of India	54,000,000	54,000,000	90.00	90.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crore)

NOTE NO. 2 RESERVES & SURPLUS

Particulars	Balance as at 01.04.2014	Additions	Deductions/ Appropriation	Balance as at 31.3.2015
Capital Reserve	3.70	–	–	3.70
Exchange Fluctuation Reserve	6.50	–	–	6.50
Export/Import Contingency Reserve	4.35	–	–	4.35
Revaluation Reserve (Refer Note no. 12.3)	–	915.46	16.74	898.72
General Reserve	35.91	16.74	0.02	52.63
Surplus	(2,466.18)	(385.65)	–	(2,851.83)
Grant in Aid	3.55	–	0.30	3.26
Total	(2,412.17)	546.55	17.06	(1,882.67)
Previous Year	(1,566.82)	(407.98)	437.37	(2,412.17)

	2014-15	2013-14
2.1 Details of Addition to Surplus		
Current Year Profit After Tax	(386.39)	(844.72)
Transfer from Export/Import Contingency Reserve	–	388.00
Transfer from General Reserve	–	48.74
Transfer to Retained Earnings on account of depreciation as per Co's Act 2013	0.74	–
Transfer from Bonus Reserve*	–	–
	(385.65)	(407.98)
2.2 Details of Deduction/Appropriation from Surplus		
Proposed Dividend	–	–
Tax on Dividend	–	–
Transfer to General Reserve	–	–
Transfer to Export/Import Contingency Reserve	–	–
Transfer to Bonus Reserve*	–	–
	–	–

2.3 Details of Negligible Value

Particulars	Balance as at 01.04.2014	Additions	Deductions/ Appropriation	Balance as at 31.3.2015
*Transfer to Bonus Reserve (₹)	27,948.00	5,306.00	10,384	22,870.00

2.4 Bonus reserve represents "Set On" available under the Payment of Bonus Act, 1965.

2.5 Deductions from Bonus Reserve represents amount transferred to Statement of Profit & Loss being "Set Off" as per the Payment of Bonus Act, 1965.

	2014-15	2013-14
2.6 (a) Details of Addition to General Reserve		
Transfer from Revaluation Reserve on account of additional depreciation due to revaluation	16.74	–
	16.74	–

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crore)

(b) During the year, Subsidiary Company has revalued its fixed assets as the accounts are prepared on liquidation basis. The fixed assets have revalued at ₹ 4.90 crore by Registered valuer & chartered Engineers vide their report dated 13.07.2015, consequently ₹ 1.21 crore is transferred to revaluation reserve and loss of ₹ 2.20 crore is charged to P&L account under exceptional items.

2.7 The capital reserve of subsidiary company includes ₹ 1.20 crore received as 'Equity' from M/s. Visvesvaraiya Industrial Trade Centre (Govt. of Karnataka Centre for Export Promotion) (VITC) under ASIDE scheme during the year 2006-07 towards Chilli Processing Plant, Byadgi which has been accounted as Promoters' contribution.

2.8 The Grant in aid of subsidiary company includes ₹ 6.29 crore received as Grant from Government of India under ASIDE scheme establishment of steam sterilization unit and Grinding & Packing unit at Spice Park, Chhindwara. The subsidiary company has availed a concessional custom duty of 3% under EPCG scheme thereby saving of ₹ 1.21 crore while importing the steam sterilization machineries under export obligation to eight times of the value of duty saved with in eight years and if the company failed to meet the export obligation it is liable to pay custom duty along with interest. In this regard the company has furnished a EPCG bond of ₹ 3.77 crore to custom authorities. The concessional customs duty availed under EPCG scheme of ₹ 1.21 crore and interest payable thereon ₹ 0.93 crore total of ₹ 2.14 crore shown under provisions.

NOTE NO. 3

MONEY RECEIVED AGAINST SHARE WARRANTS

Particulars	As at 31st March, 2015	As at 31st March, 2014
Money received against share warrants	–	–

NOTE NO. 4

SHARE APPLICATION MONEY PENDING ALLOTMENT

Particulars	As at 31st March, 2015	As at 31st March, 2014
Share application money pending allotment	–	–

NON-CURRENT LIABILITIES

NOTE NO. 5

Particulars	As at 31st March, 2015	As at 31st March, 2014
Long term borrowings		
Term Loans		
- From banks - Secured	176.28	–
TOTAL	176.28	–

5.1 Term Loan from Bank is secured against current assets of the company on pari-passu basis.

5.2 Maturity and interest profile of loans

Rate of Interest	Non Current	Current
11.35%	2016-17	2015-16
	176.28	30.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crore)

NOTE NO. 6

OTHER LONG TERM LIABILITIES

Particulars	As at 31st March, 2015	As at 31st March, 2014
Trade payables		
a. Bill acceptances	11.94	11.53
b. Sundry creditors		
- Micro, small & medium enterprises	–	–
- Others	1,008.63	959.92
Total Trade Payables (a+b)	1,020.57	971.45
Others		
a. Customers at credit	19.48	23.21
b. Advance from customers	3.09	9.75
c. Other liabilities		
- Outstanding liabilities for goods & services received	93.63	115.01
- Stale Cheques	0.04	0.07
- Deposits	7.81	7.24
- Security deposits	3.42	3.45
- Earnest money deposits	5.12	8.84
Total Others (a+b+c)	132.59	167.57
d. Employees' dues:-		
Encashment of earned leaves (Refer Note no. 53)	13.91	14.20
Total Employees' cost payable	13.91	14.20
e. Remittances:-		
Others (specify)	–	1.99
Total Remittances	–	1.99
Total (Others)	146.50	183.76
TOTAL OF NOTE NO. 6	1,167.07	1,155.21

Particulars	As at 31st March, 2015	As at 31st March, 2014
6.1 Details in respect of dues to micro, small & medium enterprises based on information available with the Company.		
a. Principal Amount due & remaining unpaid	–	–
b. Interest due on above and the unpaid interest	–	–
c. Interest paid by the buyer beyond appointed day during the accounting year	–	–
d. Amount of interest accrued & remain unpaid at the end of the accounting year	–	–
e. Amount of further interest due & payable even in succeeding year, until such date when the interest due as above are actually paid to small enterprises	–	–

6.2 Other liabilities include an amount of ₹ negligible (negligible) appearing as unclaimed dividend for the year 2004-05 (Final) and ₹ negligible (negligible) for the F.Y. 2005-06 (Interim) which could not be transferred to Investor Education & Protection Fund (IEPF), due to dividend kept in abeyance cases, as reported by bank. The details of negligible value are ₹ 13350/- (₹ 13350/-) for F.Y. 2004-05 (Final) and ₹ 11400/- (₹ 11400/-) for F.Y. 2005-06 (interim). The matter is being pursued with the bank to obtain the details so that a suitable action can be taken in the current year.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crore)

NOTE NO. 7

LONG TERM PROVISIONS

Particulars	As at 31st March, 2015	As at 31st March, 2014
Provision for employees' benefits (Refer Note no. 53)		
Encashment of Half pay leave	11.79	12.02
Post retirement medical benefits	88.23	87.41
Long service award	1.44	1.39
Total	101.46	100.82

CURRENT LIABILITIES

NOTE NO. 8

Short Term Borrowings:-

Particulars	As at 31st March, 2015	As at 31st March, 2014
I. Term Loans		
- From banks	–	246.29
II. Working Capital Loans		
- From banks		
- Cash Credit & Packing Credit	1,072.43	1,088.35
- Working Capital Demand Loan	1,238.42	1,138.42
- Buyers Credit	2.20	–
III. Other loans & advances - Unsecured	0.07	–
TOTAL	2,313.12	2,473.06

8.1 Break Up of Term Loan From Bank

- Secured	–	246.29
- Unsecured	–	–
TOTAL	–	246.29

8.2 Break Up of Working Capital Loan

- Secured	1,129.57	1,044.72
- Unsecured	1,183.55	1,182.05
TOTAL	2,313.12	2,226.77

8.3 Working Capital Loans from banks are secured by pari-passu charge over current assets of the company.

8.4 The total liabilities to banks along with interest amounting to ₹ 2,869.62 crores is payable to consortium of seven banks and UCO Bank in respect of devolved LCs/Packing credits since 2008-09. No confirmation has been received from bank on the principal amount of ₹ 1185.26 crore except from State Bank of India & Union bank of India. However, cash credit/short term loan had agreed with the claim in the DRT (Debt Recovery Tribunal) application filed by consortium of seven banks and UCO bank on 20.07.2011. The above loan has been classified as NPA by consortium banks and UCO bank. The subsidiary company has created pari passu charge on the current assets in favour of the banks and also created mortgage of immovable properties situated at Chhindwara [3.239 hectares], Byadagi [5 acres], Siddapura [2.25 acres] and Madikeri [0.50 acres] in favour of the bankers. In view of the immovable properties of subsidiary company given as security, an estimated amount of ₹1.80 crores out of the total advances can be considered as secured. The consortium of banks and UCO Bank have filed cases separately against the subsidiary company with the Debt Recovery Tribunal and the bankers have also issued notice u/s 13(2) of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. Further

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crore)

based on the above, the bankers have issued two Possession Notices one dt. 26.10.2011 on the Factory, Land and Building located at Byadagi and another dt. 17.11.2011 on Factory Land and Building located at Chindwara, Madhya Pradesh.

NOTE NO. 9 TRADE PAYABLES

Particulars	As at 31st March, 2015	As at 31st March, 2014
a. Bill acceptances	11.68	7.98
b. Sundry creditors		
- Micro, small & medium enterprises	0.06	-
- Others	714.91	296.58
Total Trade Payable	726.65	304.56

9.1 Details in respect of dues to micro, small & medium enterprises based on information available with the Company.

a. Principal Amount due & remaining unpaid	0.06	-
b. Interest due on above and the unpaid interest	-	-
c. Interest paid by the buyer beyond appointed day during the accounting year	-	-
d. Amount of interest accrued & remain unpaid at the end of the accounting year	-	-
e. Amount of further interest due & payable even in succeeding year, until such date when the interest due as above are actually paid to small enterprises	-	-

NOTE NO. 10 OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2015	As at 31st March, 2014
a. Customers at credit	72.53	147.56
b. Advance from customers	30.44	76.63
c. Unclaimed dividend	0.23	0.25
d. Investor Education & Protection Fund	0.01	-
e. Current Maturities of Long Term Borrowings	30.00	-
f. Other liabilities		
- Outstanding liabilities for goods & services received	68.66	24.69
- Stale Cheques	0.01	0.03
- Deposits	1.72	5.03
- Security deposits	6.50	1.56
- Earnest money deposits	33.81	36.68
- Liability for CSR	0.73	0.58
- Book Overdraft	0.08	-
- Others	0.79	1.05
Total (a+b+c+d+e+f)	245.51	294.06

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crore)

NOTE NO. 10 OTHER CURRENT LIABILITIES (Contd.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
g. Employees' cost:-		
Pay & Allowances	0.17	0.16
Other expenses	0.16	0.07
Dues to employees on accrual basis	0.81	1.67
Encashment of earned leaves (Refer note no. 53)	1.75	2.01
Undisbursed salary	0.02	0.01
Total (g)	2.91	3.92
h. Remittances:-		
Professional Tax	0.01	–
Sale Tax /Value Added Tax (VAT)	5.92	4.07
Service Tax	0.11	0.05
Income tax deducted at source	0.97	1.61
Contribution to Provident Fund	1.53	1.75
Contribution to Employees Pension Scheme-95	0.06	0.03
Contribution to Employees Pension Fund	0.29	0.33
Salary saving scheme	0.01	0.01
Thrift Society	0.07	0.05
Entry Tax	–	0.45
Others	6.90	6.74
Total (h)	15.87	15.09
i. Interest accrued & due on borrowings	1,730.40	1,320.95
Total (i)	1,730.40	1,320.95
TOTAL OF NOTE NO. 10	1,994.69	1,634.02

10.1 Against interest accrued and due on borrowings amounting to ₹ 46.05 crore (₹ 45.63 crore), bank guarantee of ₹ 44.70 crore (₹ 43.80 crore) have been issued to Bank.

10.2 The liability for CSR outstanding as on 31.03.2015 for the earlier years budgeted amount is ₹ 0.41 crore.

10.3 Gross amount required to be spent by the company during the year ₹ 0.40 crore (0.54 crore)

S. No.	Nature of Expenditure	Cash Paid	Yet to be paid	Total
1	Construction / Acquisition of Asset	0.02 (0.30)	0.27 (Nil)	0.29 (0.30)
2	On purpose other than (1) above	0.05 (0.50)	0.01 (Nil)	0.06 (0.50)

10.4 An amount of ₹ 0.50 crore (less ₹ 0.005 crore service charges of VITC - Net ₹ 0.495 crore) received by subsidiary company in the year 2009-10 as funding under ASIDE scheme from Visvesvaraiya Industrial Trade Centre, Bangalore and the same has been accounted as Grants towards Pepper processing unit at Siddapura. However due to financial constraints the project was put on hold and the WIP of ₹ 0.26 crore was written off towards Impairment as on 31.03.2012. As per the terms of the grant, if the project is not completed, the grant has to be refunded along with interest @10%. Accordingly, the grant received along with interest of ₹ 0.79 crore has been shown as payable under current liabilities.

10.5 Interest payable of ₹ 1684.35 crore on the principal amount due to banks is arrived on the basis of the interest rates disclosed in the Debt Recovery Tribunal application filed by banks. Interest provision of ₹ 409.03 crore have been made by the subsidiary company for the current financial year. However no confirmation is received from banks for interest payable.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crore)

NOTE NO. 11 SHORT TERM PROVISIONS

Particulars	As at 31st March, 2015	As at 31st March, 2014
(a) Provision for employees' benefits (refer Note no. 53)		
Encashment of Half pay leave	2.73	2.48
Post retirement medical benefits	6.35	6.56
Long service award	0.12	0.16
Gratuity	0.98	7.12
Pension	–	0.02
Performance Related Pay	0.02	0.05
Others	3.41	–
Total (a)	13.61	16.39
(b) Other Provisions		
Contingencies	5.25	0.10
Exchange difference on Forward contract	–	0.07
Others	0.05	0.03
Total (b)	5.30	0.20
Total (a+b)	18.91	16.59

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crore)

NOTE NO. 12 TANGIBLE ASSETS

A. OWNED ASSETS		GROSS			
S. No.	Description	As on 01.04.2014	Additions	Deductions/ Adjustments	As on 31.03.2015
		(1)	(2)	(3)	(4)= (1)+(2)-(3)
1	Land	7.72	19.02	(1.10)	27.84
2	Buildings	9.86	115.64	0.09	125.41
3	Plant & Machinery	29.93	0.98	(2.16)	33.07
4	Furniture & fittings	4.40	0.03	0.09	4.34
5	Motor Vehicles	1.51	0.29	0.13	1.66
6	Office equipment	5.45	0.09	3.31	2.23
7	Railway sidings	–	–	–	–
8	Computers, data processing units & communication equipment	3.41	0.23	0.42	3.22
9	Electrical Installations & Equipment	–	–	(5.53)	5.53
	Total	62.28	136.28	(4.75)	203.30
B. LEASEHOLD ASSETS					
1	Land	2.66	592.13	–	594.79
2	Buildings	52.39	187.60	5.55	234.44
3	Roads, culverts & sewerage etc	0.72	–	0.69	0.03
4	Plant & Machinery	–	–	–	–
	Total	55.77	779.73	6.24	829.26
	Grand Total	118.05	916.01	1.49	1,032.56
	Previous Year	112.24	35.94	30.13	118.05

12.1 The process of issuance of sub divided lease deeds in respect of STC's Office Complex at New Delhi, residential land and flats at Mehrauli Road, Delhi separately in the name of company and its co owners is pending. Original cost of land is ₹ 1.04 crore (₹ 1.04 crore) and of Building for housing colony and office complex is ₹ 18.66 crore (₹ 18.55 crore). Gross Block after revaluation of such land is ₹ 548.33 crore and of such Building is ₹ 185.65 crore. Execution of lease deed in respect of flats at AGVC complex is pending. The original cost of such flats is ₹ 1.25 crore (₹ 1.25 crore) and the Gross Block after revaluation is ₹ 28.42 crore.

12.2 Formal lease deed in respect of Lease hold plot where company has tank farm installation at Mumbai Port Trust is yet to be executed though lease has been extended by way of allotment letter. Registration of deed of conveyance in respect of 7 flats at Mumbai is pending. Total original cost of such flat is ₹ 0.41 crore (₹ 0.41 crore) and revalued amount is ₹ 33.19 crore.

NOTE NO. 13 INTANGIBLE ASSETS

A. OWNED ASSETS		GROSS			
S. No.	Description	As on 01.04.2014	Additions	Deductions/ Adjustments	As on 31.03.2015
		(1)	(2)	(3)	(4)= (1)+(2)-(3)
1	computer software	0.38	–	0.01	0.37
	Total	0.38	–	0.01	0.37
	Previous Year	0.36	0.02	–	0.38

13.1 Intangible assets are amortized @ of 40% p.a. on Straight line basis. The useful life of the assets is considered to be two and half years.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crore)

DEPRECIATION			NET		
Upto 31.03.2014	Deductions/ Adjustments	For the year 2014-15	Upto 31.03.2015	31.03.2015	31.03.2014
(5)	(6)	(7)	(8) = (5)+/-(6)+(7)	(9) = (4)-(8)	(10) = (1)-(5)
-	-	-	-	27.85	7.72
2.27	(0.05)	4.27	6.60	118.82	8.03
17.62	1.18	1.41	17.85	15.22	12.31
3.29	0.19	0.16	3.26	1.08	1.12
1.59	0.30	0.03	1.32	0.34	-
2.85	1.11	0.14	1.88	0.35	2.61
-	-	-	-	-	-
3.11	0.57	0.21	2.75	0.47	0.37
-	(2.97)	0.29	3.26	2.27	-
30.73	0.33	6.51	36.92	166.40	32.16
0.92	0.42	0.66	1.15	593.64	1.74
17.42	0.80	13.40	30.02	204.42	34.97
0.27	0.22	-	0.03	-	0.02
-	-	-	-	-	-
18.61	1.44	14.06	31.20	798.06	36.73
49.34	1.77	20.57	68.12	964.46	68.89
47.16	3.04	5.22	49.34	68.89	-

12.3 The company has revalued its immovable properties through Chartered Valuation Surveyor & Architectural Engineer as on 30.06.2014 for the purpose of reinstating its immovable properties at market value and consequently an amount of ₹ 914.25 crore is credited to revaluation reserve. As a result of revaluation additional depreciation amounting ₹ 16.74 crore is transferred from revaluation reserve to general reserve.

12.4 With effect from 1st April, 2014, as per applicable provisions of the Companies Act, 2013 (the "Act"), the depreciation has been provided on straight line method as per the useful life of assets specified in the Act, as a result of this change, depreciation provided for the year is less by ₹ 1.08 crore.

DEPRECIATION			NET		
Upto 31.03.2014	Deductions/ Adjustments	For the year 2014-15	Upto 31.03.2015	31.03.2015	31.03.2014
(5)	(6)	(7)	(8) = (5)+/-(6)+(7)	(9) = (4)-(8)	(10) = (1)-(5)
0.34	0.01	0.04	0.37	-	0.04
0.34	0.01	0.04	0.37	-	0.04
0.29	-	0.05	0.34	0.04	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crore)

NOTE NO. 14 CAPITAL WORK IN PROGRESS

S. No.	Description	GROSS			As on 31.03.2015
		As on 01.04.2014	Additions	Deductions	
		(1)	(2)	(3)	(4)= (1)+(2)- (3)
1	Office Building	0.27	-	-	0.27
2	Plant & Equipment	0.47	-	0.47	-
3	Office Equipment	0.12	-	-	0.12
	Total	0.86	-	0.47	0.39
	Previous Year	8.69	0.65	8.48	0.86

NOTE NO. 15 INTANGIBLE ASSETS UNDER DEVELOPMENT

S. No.	Description	GROSS			As on 31.03.2015
		As on 01.04.2014	Additions	Deductions	
		(1)	(2)	(3)	(4)= (1)+(2)- (3)
1	Intangible Assets under Development	-	-	-	-
	Total	-	-	-	-
	Previous Year	-	-	-	-

NOTE NO. 16 NON CURRENT INVESTMENTS Trade Investment (Unquoted)

Equity instruments - Fully paid up ****							
S. No.	Name of Company	No. of Shares	Face Value	Total Value	Provision for Diminution	Net Value as on 31.03.2015	Net Value as on 31.03.2014
1	Sea Lac Agro Ventures Limited	100,000	10	0.10	-	0.10	0.10
2	NSS Satpura Agro Development Corporation Ltd.	200,000	10	0.20	0.17	0.03	0.13
	TOTAL			0.30	0.17	0.13	0.23

Other Investment (Unquoted)

Equity instruments - Fully paid up ****							
S. No.	Name of Company	No. of Shares	Face Value	Total Value	Provision for Diminution	Net Value as on 31.03.2015	Net Value as on 31.03.2014
1	Maharashtra Small scale Industries development	10,000	100	0.10	-	0.10	0.10
2	Andhra Pradesh state trading Corporation	100	1,000	0.01	-	0.01	0.01
3	Sindhu Resettlement***	4	1,000	-	-	-	-
4	Govt. Securities- NSS Certificates-VIII issue	-	-	-	-	-	-
	TOTAL			0.11	-	0.11	0.11
	Grand Total (Unquoted)			0.41	0.17	0.24	0.34
	Previous Year			0.41	0.07	0.34	

*** Investment book value is ₹ 4000 (₹ 4000)

**** valued at cost other than temporary diminution in value, if any.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crore)

16.1 As per the directions of the Administrative Ministry, during 2008-09, a Joint Venture Company has been formed by NAFED, STC & STCL Ltd. i.e., 'NSS SATPURA AGRO DEVELOPMENT CO. LTD..'' Interest in Joint Ventures are as follows:

- a. % of company ownership interest 25% 50%
- b. Capital Invested ₹ 0.20 crore (2,00,000 equity shares of ₹ 10 each - fully paid up)
- c. Since the Joint venture company is incurring losses and its cumulative losses is ₹ 0.30 crore up to 31.03.2013 against the total Share capital of ₹ 0.40 crore, the company provided ₹ 0.17 crore towards permanent diminution in its investment value (cost ₹ 0.20 crore). Since the audited financial statements of NSS satpura is not available for the year ended 31.03.2014, further permanent diminution if any has not been recognised in the books.

II. ASSETS

(1) NON CURRENT ASSETS

NOTE NO. 17

DEFERRED TAX ASSETS (NET)

Particulars	As at	
	31st March, 2015	31st March, 2014
Deferred tax Assets		
Disallowance under Income Tax Act 1961	76.88	76.88
Deferred Tax Liability		
Related to Fixed Assets	3.87	3.87
Total	73.01	73.01

17.1 In accordance with the Accounting Standard 22 on "Accounting for Taxes on Income", the company has Deferred Tax Assets (Net) of ₹ 73.01 crore (₹ 73.01 crore). As a matter of prudence & conservative principle of accounting, Deferred Tax Asset (Net) relating to losses and other temporary differences amounting to ₹ 188.75 crore (₹ 192.77 crore) has not been recognised.

17.2 As a matter of prudence, No Deferred Tax Assets has been recognised for subsidiary company as losses incurred & winding up petition has also been filed dated 26.11.2013 before Hon'ble High Court of Karnataka.

NOTE NO. 18

LONG TERM LOANS AND ADVANCES

Particulars	As at	
	31st March, 2015	31st March, 2014
1 Capital Advances		
- Secured, Considered Good	-	-
- Unsecured, Considered Good	-	-
- Doubtful	-	-
Less : Allowance for Bad & Doubtful	-	-
Net	-	-
2 Security Deposits		
- Secured, Considered Good	0.28	5.27
- Unsecured, Considered Good	2.58	5.22
- Doubtful	4.57	1.36
Less : Allowance for Bad & Doubtful	4.57	1.36
Net	2.86	10.49

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crore)

NOTE NO. 18 (Contd.)

LONG TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2015	As at 31st March, 2014
3 Loans and Advances to related parties		
- Secured, Considered Good	-	-
- Unsecured, Considered Good	-	-
- Doubtful	-	-
Less : Allowance for Bad & Doubtful	-	-
Net	-	-
4 Advances to employees		
- Secured, Considered Good	4.81	4.76
- Unsecured, Considered Good	0.69	0.78
- Doubtful	-	-
Less : Allowance for Bad & Doubtful	-	-
Net	5.50	5.54
5 Interest accrued on advances to employees		
- Secured, Considered Good	6.17	6.54
- Unsecured, Considered Good	1.04	1.11
- Doubtful	-	-
Less : Allowance for Bad & Doubtful	-	-
Net	7.21	7.65
6 Trade advances		
- Secured, Considered Good	-	-
- Unsecured, Considered Good	0.74	0.78
- Doubtful	129.27	129.75
Less : Allowance for Bad & Doubtful	129.27	129.75
Net	0.74	0.78
7 Advance tax (net of provision)		
- Secured, Considered Good	-	-
- Unsecured, Considered Good	7.07	7.03
- Doubtful	-	-
Less : Allowance for Bad & Doubtful	-	-
Net	7.07	7.03
8 Other Misc. advances		
- Secured, Considered Good	-	1.28
- Unsecured, Considered Good	0.21	0.30
- Doubtful	0.66	0.66
Less : Allowance for Bad & Doubtful	0.66	0.66
Net	0.21	1.58
Total	23.59	33.07

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crore)

NOTE NO. 18 (Contd.)

LONG TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2015	As at 31st March, 2014
PARTICULARS OF LONG TERM LOANS AND ADVANCES		
- Secured, Considered Good	11.26	17.85
- Unsecured, Considered Good	12.33	15.22
- Doubtful	134.50	131.77
Total	158.09	164.84
Less : Allowance for Bad & Doubtful	134.50	131.77
Net	23.59	33.07

18.1 Trade advances include a sum of ₹ 87.39 crore (₹ 87.39 crore) recoverable from one of the parties, against which the company has initiated legal actions including criminal proceedings. In this regard, full provision has been made in earlier years. The company was successful in getting arbitration award for ₹ 110.00 crore in its favour along with 12% interest per annum from 1st May, 2006 till realization of the award. However, the party has raised objections to the award before Hon'ble High Court at New Delhi and hearing of the same is in progress.

18.2 Details of dues from Directors/ Officers :-

- Directors :	NIL	NIL
- Officers :	₹ 6.70 crore	₹ 6.60 crore

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

- i) ₹ 12.64 crores [excluding interest] due from Business Associate M/s. Future Resources Pvt. Ltd., A stock of around 30000 MTS of Iron ore fines [subject to handling and storing loss an account of long storage period] approximately valuing ₹ 7.00 crores as per the present market value is under the custody of C&F agent SVK Shipping at Vizag. The Business Associate have also filed a petition in City Civil Court Bangalore praying for order of injunction restraining the C&F agent from handing over the possession of the stocks to Subsidiary Company and also have prayed for settlement of disputes through arbitration process. The interim order has been vacated and matter is posted for final hearing. The subsidiary company is in the process of liquidating the stocks through tender process and to further proceed legally for recovery of short-fall if any.
- ii) ₹ 6.86 crores [excluding interest] due from M/s. S.S. Exports, the matter was referred to arbitration. The arbitration award was declared in subsidiary company's favour for recovery of claim along with legal cost of ₹ 0.03 crore. Further, S.S. Exports has challenged the arbitration award and filed the petition before the court and the matter is pending.
- iii) ₹ 12.68 crores [excluding interest] due from M/s. Devi Mineral Resources [I] Pvt. Ltd., A stock of 6,005 MTs of Iron ore fines at Vizag and 503 MTS of Iron ore fines at Kakinada approximately valuing ₹ 1.50 crores as per the present market value are in the custody of M/s. Prathyusha Associates Shipping Private Ltd., [C&F Agents]. The subsidiary company is in the process of liquidating the stocks through tender process. The subsidiary company has also filed case u/s 138 of Negotiable Instruments Act, the legal proceedings are in progress.

The Company has issued charge sheet to 7 officials in respect of (i), (ii) & (iii) above and also in respect of quality claims of USD 2.88 Million (₹ 15.66 crores) by overseas buyer M/s. Devi Trading Co. Ltd., Hong Kong against Company. The CVC has appointed the inquiry officer and the inquiry is in progress.

18.4 ₹ 4.21 crores due from Sri Kumar Trading (Group). The subsidiary company has filed a private complaint which is being investigated by Police for diverting and misappropriation of 371 MTS of Pulses. Since the 'B' report has been filed by the Police after investigation, the subsidiary company has challenged the 'B' report filed by police requesting re-investigation. The subsidiary company has also also filed case under section 138 of NI Act, the legal proceedings are in progress. The Company has made full provision for the amount due of ₹ 4.21 crores in the earlier years.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crore)

NOTE NO. 19 OTHER NON CURRENT ASSETS

Particulars	As at 31st March, 2015	As at 31st March, 2014
1 Long term trade receivable		
- Secured, Considered Good	128.61	88.16
- Unsecured, Considered Good	957.38	958.71
- Doubtful	465.45	473.83
Less : Allowance for Bad & Doubtful	465.45	473.83
Net	1,085.99	1,046.87
2 Claims recoverable		
- Secured, Considered Good	–	0.20
- Unsecured, Considered Good	16.33	13.10
- Doubtful	130.89	130.09
Less : Allowance for Bad & Doubtful	130.89	130.09
Net	16.33	13.30
3 Bank Deposits :		
Term Deposit with banks :		
- Deposit pledged / Under Lien as margin Money	8.11	–
Interest accrued on Term Deposits :		
- Deposit pledged / Under Lien as margin Money	0.36	–
Net	8.47	–
4 Others		
- Secured, Considered Good	–	–
- Unsecured, Considered Good	0.87	0.82
- Doubtful	–	–
Less : Allowance for Bad & Doubtful	–	–
Net	0.87	0.82
Total	1,111.66	1,060.99
PARTICULARS OF OTHER NON CURRENT ASSETS		
- Secured, Considered Good	137.08	88.36
- Unsecured, Considered Good	974.58	972.63
- Doubtful	596.34	603.92
Total	1,708.00	1,664.91
Less : Allowance for Bad & Doubtful	596.34	603.92
Net	1,111.66	1,060.99

19.1 Long term trade receivables include ₹ 568.44 crore (₹ 568.44 crore) on account of export of pharma products to foreign buyers through Indian business associates against which credit balance of ₹ 568.44 crore (₹ 568.44 crore) is available under trade payables. As corresponding credit of ₹ 568.44 crore (₹ 568.44 crore) is available under back to back arrangement, no provision is considered necessary. The local business associates drew bills of exchange which were accepted by STC on back to back basis. The foreign buyer defaulted in making payment against the export bills and one of the business associates having outstanding of ₹ 536.86 crore (₹ 536.86 crore) has gone into liquidation and litigation proceedings have been initiated by STC as well as by Indian business associates and their bankers. A claim of ₹ 527.86 crore (₹ 527.86 crore) has been admitted by the liquidator. Indian business associates

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crore)

also discounted the bills of exchange conditionally accepted by STC from their bankers by utilizing their own credit limits. Banks & Financial Institutions have filed legal suit against business associate before Hon'ble High Court Mumbai and DRT making STC also a party to the case. However, STC contended that under the Agreement an amount to Indian business associates is payable only after receipt from foreign buyer. But as a matter of prudence amount of ₹ 450.47 crore (₹ 450.47 crore) has been shown as contingent liability.

- 19.2 Long term trade receivables include ₹ 788.47 crore (₹ 788.47 crore) under the Credit Linked Insurance Scheme (CLIS) for export of gold jewellery etc. against which corresponding credit balances of ₹ 342.18 crore (₹ 342.18 crore) are available, leaving net receivable of ₹ 446.29 crore. Action against the business associates has been initiated. The matter is being pursued legally. However, as a measure of abundant caution full provision of ₹ 446.29 crore (₹ 446.29 crore) has been made in the earlier years to the extent of net trade receivables.
- 19.3 Long term trade receivables include ₹ 41.92 crore (₹ 50.99 crore) against which credit balance amounting ₹ 41.92 crore (₹ 41.92 crore) is available in respect of one of the business associates through whom various agricultural items were exported up to financial year 2011-12 through Mumbai branch. Upon non-receipt of the dues from the business associate, the company has initiated necessary legal steps for its recovery. However considering remote possibility of its recovery, net debtors amounting ₹ 9.07 crore, for which provision was made in the year 2013-14, has been written off in the current year.
- 19.4 Long term trade receivables include ₹ 11.85 crore (₹ 11.83 crore) recoverable from one of the business associates for goods sold in earlier years. The entire overdue is secured by pledge of stocks in favour of STC. Upon non-payment of overdue, legal actions have been initiated against the business associate u/s 138 of Negotiable Instruments Act, 1881 and civil hearings are in progress. Hence, no provision is considered necessary.
- 19.5 Long term trade receivables include ₹ 59.23 crore (₹ 81.55 crore) recoverable from one of the business associates for goods sold in earlier years. The entire overdue is secured by pledge of stocks in favour of STC. The party has paid an amount of ₹19.50 crore during the current year. However, upon non-payment of entire overdue, STC resorted to sale of the pledged stocks to another party and an amount of ₹ 33.65 crore was received as advance payment up to 31.03.2015 from the buyer against sale. Criminal Complaints u/s 138 of Negotiable Instruments Act, 1881 and contempt application filed before Hon'ble High Court, New Delhi are under progress against the business associate. Hence, no provision is considered necessary.
- 19.6 Long term trade receivable include ₹ Nil (₹ 4.94 crore) towards reimbursement of loss in supply of edible oil under PDS to Gujarat State Civil Supply Corporation under the subsidy scheme of Government of India. The claim is being followed up with Government of India. However, the same being old debts for which provision was made in earlier years, has been written off in the current year.
- 19.7 Long term trade receivable include ₹ 3.21 crore (₹ 3.21 crore) recoverable from one of the business associates towards import of pet bottle material, which are pledged with the company. The recovery is being pursued through arbitration proceedings. A provision of ₹ 1.28 crore has been made during the year 2012-13, to the extent not covered by pledged stock.
- 19.8 Long term trade receivables include ₹ 58.55 Crore (₹ 63.52 crore) recoverable from one of the business associates for goods sold in earlier years. The entire balance overdue is secured by pledge of stocks in favour of STC. In current year payment of ₹ 5 Crore received from the party. STC has invoked risk sale clause of the agreement and floated tender for sale of pledged stocks. STC has also filed winding up petition and criminal complaints i.e. cases u/s 138 of Negotiable Instruments Act, 1881 and contempt application for misleading the court against the business associate.
- 19.9 Claims recoverable (Govt. of India) include ₹ 114.95 crore (₹ 114.95 crore) towards import of pulses under Govt. account during the year 2006-07 to 2010-11. The release of pending subsidy claims is under consideration of Ministry of Consumer Affairs, Govt. of India and regular follow up is being done by STC. As a matter of prudence provision of ₹ 114.95 crore was made during the year 2013-14.
- 19.10 Trade receivables include ₹ 10.21 crore (₹ 10.21 crore) recoverable from MARKFED, Govt. of Maharashtra (GOM) towards supply of RBD Palmolien under PDS Scheme during the year 2010-11 and 2011-12. All amounts relating to this supply were received by STC except the outstanding balance of ₹ 10.21 crore (₹ 10.21 crore) pending for final reconciliation at their end. Matter is being constantly taken up with GOM and MARKFED for recovery.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crore)

CURRENT ASSETS NOTE NO. 20 CURRENT INVESTMENTS

Particulars	As at 31st March, 2015	As at 31st March, 2014
Current Investment	-	-
Total	-	-

NOTE NO. 21 INVENTORIES

Particulars	As at 31st March, 2015	As at 31st March, 2014
(As taken, Valued & Certified by Management)		
(a) Stock in trade including with handling agents/local agent	5.13	0.77
(b) Stores and spares	0.22	0.15
(c) Packing materials	0.05	0.03
(d) Stationery	0.08	0.06
(e) Others	0.04	0.04
Total	5.52	1.05

21.1 For Mode of Valuation, please refer para 10 of Note 44 to the financial statements

21.2 Stock-in-Trade includes Goods-in-Transit:- ₹ 4.99 crore NIL

NOTE NO. 22 TRADE RECEIVABLES

Particulars	As at 31st March, 2015	As at 31st March, 2014
(a) Trade Receivables over Six Months		
- Secured, Considerable Good	219.20	1,579.68
- Unsecured, Considerable Good	1,539.37	32.70
- Doubtful	30.05	28.33
Gross Receivable	1,788.62	1,640.71
Less : Allowance for bad & doubtful receivable	30.05	28.33
Net Receivable	1,758.57	1,612.38
(b) Other Trade Receivables		
- Secured, Considerable Good	551.84	355.77
- Unsecured, Considerable Good	114.94	0.36
- Doubtful	-	-
Gross Receivable	666.78	356.13
Less : Allowance for bad & doubtful receivable	-	-
Net Receivable	666.78	356.13
Grand Total (a+b)	2,425.35	1,968.51

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crore)

- 22.1 Trade receivables include ₹ 122.46 crore (₹ 122.22 crore) recoverable from one of the business associates for goods sold in earlier years which are overdue. The entire amount is secured by pledge of stocks to STC (procured under advance license with export obligation). The business associate is under liquidation. STC as an unpaid seller and pledgee of the goods has also filed civil application before Hon'ble Gujarat High Court to restrain the Official Liquidator to take control of pledged goods with STC, filed application before BIFR through another business associate without any obligation of STC, for revival of the business associate's plant and another civil application to restrict the sale of plant without settling STC's outstanding. Next date of hearing is 25.06.2015. As goods are under the custody of Central Warehousing Corporation on behalf of STC, no provision is considered necessary.
- 22.2 The trade receivables include ₹ 1,640.53 Crore (₹ 1,468.14 Crore) for goods sold during previous years to one of the business associates. Dues are secured by EMD of ₹ 29.73 Crore, Corporate Guarantee of its holding company and the personal Guarantee of Chairman of its holding company. The business associate and its holding company (Guarantor) had signed a Conciliation Agreement dated 15-11-2011 and Further Settlement Agreement dated 17-05-2012 with STC for payment of entire dues by 10-11-2012 under Indian arbitration and Conciliation Act and is legally enforceable as decree. During the year, the business associate remitted an amount of ₹ 33 Crore and sought more time to pay the dues. The business associate has confirmed on various occasions its commitment to repay the entire dues along with interest. The case for enforcement of decree was heard by the Hon'ble Supreme Court on 15.05.2015 and held the decree to be final. Considering the financial strength of guarantors and status of case in the Hon'ble Supreme Court, the debt has been considered good and fully recoverable.
- 22.3 Trade Receivables of subsidiary company includes the following which has been fully provided :
- (i) ₹2.26 crore [excluding interest and trade margin] due from M/s. Meta Copper and Alloys Ltd. Goa against High Seas Sale and pledge of stocks in their premises which was under CWC management. As the payments were not received, the subsidiary company invoked the Personal / Corporate Guarantee executed by M/s. Meta Copper & Alloys Limited in favour of the subsidiary company and filed cases under Section 138 of N.I. Act. Meta Copper and Alloys Ltd. has unauthorisedly lifted the stock of 188 MTs of brass strips approximately valuing ₹ 4.00 crores for which the subsidiary company has also filed a police complaint against Meta Copper. The subsidiary company has made full provision for ₹ 2.26 crore in the earlier years. The arbitration was completed and arbitral award dated 30.09.2013 was in favour of the subsidiary company for recovery of claims. M/s. Meta Copper has challenged the arbitral award in the court and the subsidiary company has filed its objection.
 - (ii) ₹ 17.10 crore due from R. Piyarelall Foods Pvt Ltd, Kolkata (RPFPL). The subsidiary company has filed a private complaint in the magistrate court against RPFPL, its sister concern R. Piyarelall Import & Export Ltd. (RPIEL), and C&F agent for unauthorised lifting of stocks, which has been referred to the jurisdiction police station at Bangalore. The subsidiary Company has initiated action u/s 138 of Negotiable Instrument Act for the return of the cheque unpaid. In addition, the subsidiary Company has invoked the personal guarantee issued by the director of RPFPL and against the non payment, the subsidiary company has filed a recovery suit in the Kolkata High Court. The subsidiary company has made full provision for ₹ 17.10 crore in the earlier years. The High Court of Karnataka has appointed Justice Venkataraman as the Arbitrator.
 - (iii) ₹ 8.96 crore due from Shree Ganesh Steels and Alloys Ltd, Chennai, [for which provision was made in the earlier years] against High seas sale and Pledge of stocks held in the premises of Container Corporation of India at Chennai. As the payments were not received, the subsidiary company invoked the Personal / Corporate Guarantee executed by M/s Shree Ganesh steels and Alloys Ltd under 138 of NI Act. The subsidiary company has also obtained temporary injunction from City Civil Court Bangalore restraining Shree Ganesh from disposing the goods until the Arbitration award. The subsidiary company is in process of exploring possibilities with custom authorities for liquidation of the available stock for recovery of the dues.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crore)

NOTE NO. 23 CASH & CASH EQUIVALENTS

Particulars	As at 31st March, 2015	As at 31st March, 2014
(a) Cash in hand	–	–
(b) Stamps & Stamp Papers	0.01	–
(c) Cheques / Drafts on hand	–	–
(c) Balances with banks		
- Cash Credit account - Debit Balance	0.03	9.81
- Current Accounts	1.31	18.69
- Current Account in Foreign currency - EEFC	0.01	0.01
(d) Short Term Deposit with banks :		
- Deposit pledged / Under Lien as margin Money	3.64	15.73
- Other Deposits	5.12	18.38
(e) Interest accrued on Term Deposits :		
- Deposit pledged / Under Lien as margin Money	–	0.21
- Other Deposits	0.19	0.63
(f) Unpaid Dividend Bank Account	0.24	0.25
Total	10.55	63.71

23.1 The cash and bank balances of subsidiary company include ₹ 85245/- equivalent to USD 1368.10 which was held in EEFC account at the banks, for which there is no confirmation of balance from the banks.

23.2 The cash equivalents of Subsidiary company includes deposits ₹ 3.82 crore (₹ 5.13 crore) being non readily convertible, hence amount of ₹ 6.73 crore (₹ 58.58 crore) is taken as cash & cash equivalents in cash flow statement.

NOTE NO. 24 SHORT TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2015	As at 31st March, 2014
1 Capital Advances		
- Secured, Considered Good	–	–
- Unsecured, Considered Good	0.09	0.09
- Doubtful	–	–
Less : Allowance for Bad & Doubtful	–	–
Net	0.09	0.09
2 Security Deposits		
- Secured, Considered Good	0.16	0.54
- Unsecured, Considered Good	0.01	0.02
- Doubtful	0.06	–
Less : Allowance for Bad & Doubtful	0.06	–
Net	0.17	0.56
3 Loans and advances to related parties		
- Secured, Considered Good	–	–
- Unsecured, Considered Good	–	–
- Doubtful	–	–

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crore)

NOTE NO. 24 (Contd.)

SHORT TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2015	As at 31st March, 2014
Less : Allowance for Bad & Doubtful	-	-
Net	-	-
4 Advances to employees		
- Secured, Considered Good	1.13	1.70
- Unsecured, Considered Good	0.65	0.77
- Doubtful	-	-
Less : Allowance for Bad & Doubtful	-	-
Net	1.78	2.47
5 Interest accrued on advances to employees		
- Secured, Considered Good	0.70	0.74
- Unsecured, Considered Good	0.16	0.19
- Doubtful	-	-
Less : Allowance for Bad & Doubtful	-	-
Net	0.86	0.93
6 Trade advances		
- Secured, Considered Good	-	0.06
- Unsecured, Considered Good	4.95	0.58
- Doubtful	1,155.25	1,155.25
Less : Allowance for Bad & Doubtful	1,155.25	1,155.25
Net	4.95	0.64
7 Advance tax (net of provision)		
- Secured, Considered Good	-	-
- Unsecured, Considered Good	30.32	27.78
- Doubtful	-	-
Less : Allowance for Bad & Doubtful	-	-
Net	30.32	27.78
8 Other Misc. advances		
- Secured, Considered Good	-	0.88
- Unsecured, Considered Good	0.88	0.91
- Doubtful	-	-
Less : Allowance for Bad & Doubtful	-	-
Net	0.88	1.79
Total	39.05	34.26
PARTICULARS OF SHORT TERM LOANS AND ADVANCES		
- Secured, Considered Good	1.98	3.92
- Unsecured, Considered Good	37.07	30.34
- Doubtful	1,155.31	1,155.25
Total	1,194.36	1,189.51
Less : Allowance for Bad & Doubtful	1,155.31	1,155.25
Net	39.05	34.26

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crore)

Particulars	As at 31st March, 2015	As at 31st March, 2014
24.1 Details of dues from Directors/ Officers :-		
- Directors :	NIL	NIL
- Officers :	₹ 1.42 crore	₹ 1.91 crore

24.2 Loans and Advances of subsidiary company includes ₹ 1,155.25crore [net of security deposit/margin money] shown as Claims Receivable from Business Associates M/s. Future Exim (India) Pvt. Ltd. & M/s. Future Metals Pvt. Ltd. . The subsidiary company opened usance letters of credit on overseas suppliers for import of Metal Scraps-[Nickel/Copper Scrap] for merchanting trade at the cost and risk of the Business associates. The Business Associates/ buyers failed to meet the commitment of making the payment before the due dates of the Letters of Credit and this resulted in devolvement of LC's on subsidiary company. The net amount due from above business associate is ₹ 1,155.25 crore towards the cost of cargoes stuffed in 885 containers supposed to contain Nickel and Copper scrap which were lying at South Korean and Vietnam ports. As the payments were not received, few containers were got opened by the subsidiary company which were found to contain Iron scrap instead of Nickel and Copper scrap. The containers were auctioned by the port authorities. In view of the cargo being assessed as Iron/Steel scrap and the auction sales price ranging from USD 206-250 per MT, the subsidiary company has filed compliant against overseas seller M/s. Asia Metals & Commodities Pte Ltd. , Singapore, business associates as well as international inspection agency , M/s. Worldwide Logistic Survey Inspection, New Delhi, all the criminal compliant filed in India have been transferred to CBI, New Delhi. CBI is investigating the case. The Enforcement Directorate, has issued a show cause notice to subsidiary company and its four officials. Future Metals (P) Ltd. and Future Exim (India) Pvt. Ltd. and 8 bankers of subsidiary company in December 2011. The subsidiary company has replied to the show cause notice. Further, The Special Director, Enforcement Directorate, Chennai summoned the subsidiary company on 25.03.2014 and the subsidiary company appeared and presented the details in the adjudication process.

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

The subsidiary company has filed criminal complaints against business associated u/s 138 of The Negotiable Instrument Act for returning of the cheque unpaid. The high court of Karnataka has appointed the Hon'ble Mr. Justice Shivaraj V. Patil (retd.) former Judger of Supreme Court as the sole arbitrator to adjudicate the disputes. The same has been challenged by FMPL and FEIPL by filling a special leave petition in the Supreme court of India, which is pending for adjudication and the sole arbitrators proceedings is also stalled. The subsidiary company has moved three application before the Hon'ble Supreme Court for advancement of SLP. Since our application for preponement was not considered, an application was moved in the High Court of Karnataka u/s 15 of Arbitration and Conciliation Act for re-appointment of Arbitrator. The matter was heard during August 2013 and Court decided to keep the matter pending for disposal after the SLP is heard in the Supreme Court. Though the SLP came for hearing in the Supreme Court during January, 2014 matter could not be heard. A letter dated 07.07.2014 was addressed to the Registrar , Supreme Court of India, New Delhi requesting for settling a date for the hearing. Shri Harin P. Rawal along with our advocates made a mention before the Chief Justice on 12.11.2014 for early listing of the case. As per the legal opinion of Shri B.V. Acharya, steps have been taken and on 07.01.2015 along with our counsel met Shri K.K. Venugopal, Senior Advocate of Supreme Court and as per his advice, steps have been taken to file and I.A. u/s 15 of Arbitration and Conciliation Act for continuation of arbitration.

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

In this connection, the subsidiary company has obtained the court injunction on the properties of the business associate. The subsidiary company had engaged the services of Government and Banks Registered Valuer to assess the value of land located at Punjab and Maharashtra which was assessed during 2013-14.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crore)

Particulars of Properties	Average Value (in crores)
Immovable Properties of Business associates	
Land located at Punjab (578 acres)	548.45
Office Building located at New Delhi (9000 sqft)	29.69
Land located at Chennai (9 acres)	40.25
Land located at Maharashtra (29.951 acres)	25.63
Land located at Gujarat (202.618 acres)	20.00
Movable Properties of Business associates	
Shares (45000) of Universal Pavers (P) Ltd., Tuticorin	16.98
Total	681.00

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

Based on Inquiry report, on the disciplinary proceedings in the matter of irregularities in the above transaction, Disciplinary Authority vide his order dated 07.05.2014 had imposed punishment of dismissal to three official, compulsory retirement to five officials and reduction in the increment by two levels to one official.

NOTE NO. 25 OTHER CURRENT ASSETS

Particulars	As at 31st March, 2015	As at 31st March, 2014
(a) Prepaid Expenses	0.86	0.56
(b) TA advance	0.01	0.02
(c) Advance for expenses	0.11	1.42
(d) VAT receivable-input	0.52	1.28
(e) Deposits	4.27	4.34
(f) Claims Recoverable :		
i. From Govt. of India	8.01	8.01
ii. From PSU Banks	1.12	0.18
iii. From PSU	1.82	1.38
iv. From Govt. Dept.	1.93	3.46
v. From Business Associates	1.47	3.92
vi. Others	1.40	2.50
(g) Accrued discount on Forward Contract	–	0.01
(h) Others	0.17	0.28
Total	21.69	27.36

25.1 Claims recoverable (Govt. of India) include ₹ 5.28 crore (₹ 5.28 crore) towards import of pulses on behalf of UP Government for sale under PDS scheme valid up to 30.06.2012 which has been received in April 2015. Further, Claims recoverable include ₹ 2.72 crore (₹ 2.72 crore) towards carrying costs for delayed lifting of pulses by State Govts. (UP Govt. ₹ 2.61 crore, Punjab Govt. ₹ 0.06 crore, HP Govt. ₹ 0.04 crore). Claim for the same was lodged during the year 2011-12 and the same is being followed up with the State Govt. Since, there is credit balance available from UP Govt. ₹ 8.64 crore, Punjab Govt. ₹ 0.20 crore, HP Govt. ₹ 0.06 crore, no provision is considered necessary.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crore)

NOTE NO 26 REVENUE FROM OPERATIONS

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
(a) Sales		
Export	1,884.27	1,781.01
Imported Goods	12,014.06	13,463.77
(+)/(-) Exchange fluctuation on business associate account	27.76	82.02
Imported Goods	12,041.81	13,545.80
Domestic	471.13	131.80
Total(a)	14,397.21	15,458.61
(b) Other operating revenue		
Discount on Forward Contract	0.60	1.28
Reimbursement of Domestic Losses	–	0.04
Claims:		
From Govt. of India	–	0.03
From Insurance agencies	0.31	1.73
From Govt. departments	–	0.03
From business associates	–	63.28
Others	95.89	13.68
Total(b)	96.80	80.07
Revenue from Operations (a+b)	14,494.01	15,538.68

NOTE NO 27 OTHER INCOME

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
(a) Interest income:-		
Advance to Employees	0.96	1.17
Term Deposits With Banks & its subsidiaries :	1.25	2.10
Income Tax Refunds	1.87	1.00
- Other than PCFC / EPC	207.98	180.70
Other Miscellaneous interest	1.82	0.01
Total (a)	213.88	184.98
(b) Miscellaneous income:-		
Security Deposits forfeited	0.13	–
Rent received from Employees	0.15	0.08
Amortisation of ASIDE GRANT- Chhindwara	0.30	0.56
Total(b)	0.58	0.64

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crore)

NOTE NO. 27 (Contd.)

OTHER INCOME

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
(c) Rental income:-		
Rent Received from let-out property	32.52	30.03
Recoveries for common services from tenants	5.78	5.60
Total	38.30	35.63
Less: Expenses related to let out property		
Land & development office charges@25%	7.25	6.85
Property tax	7.21	6.84
Municipal tax	0.07	-
Insurance premium	0.05	0.05
Maintenance charges	0.86	0.95
Administrative expenses	0.52	0.57
Total	15.96	15.26
Net rental income - Total (c)	22.34	20.37
(d) Other Receipts:-		
- Difference in exchange other than commodity items	0.21	0.04
- Misc. non Trade receipts	5.45	4.02
Total(d)	5.66	4.06
Gross Total (a+b+c+d)	242.46	210.05

EXPENSES:

NOTE NO 28

COST OF MATERIALS CONSUMED

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
Opening balance of packing material	0.04	0.03
Add: Purchases made during the year	0.06	0.16
Total	0.10	0.19
Less: Closing balance of packing material	0.05	0.03
Cost of materials consumed during the year	0.05	0.16

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crore)

NOTE NO 29

Purchases of Stock in Trade

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
Export Purchase	1,822.91	1,698.07
(+)/(-) Exchange fluctuation on business associate account	0.72	9.73
Export Purchase	1,823.63	1,707.80
Import Purchase	11,189.04	12,556.63
Domestic Purchase	463.87	128.79
Freight -Road	0.94	0.05
-Rail	-	0.04
-Marine	41.86	0.17
Freight Reimbursement	87.32	-
Exchange fluctuation -loss (Net)	26.20	59.46
Premium on forward contract	2.78	0.04
Insurance - General	0.15	0.97
- Marine	0.42	0.53
Customs Duty	746.74	779.12
Clearing, Handling, Survey fee, port & Other Charges	5.45	62.72
Processing Charges	-	0.34
Sales Tax/ Sur Charge on Sales Tax/VAT	0.15	0.17
Octroi/Purchase Tax Reimbursement	0.06	0.64
Total	14,388.61	15,297.47

29.1 Exchange fluctuation-loss (net) of ₹ 26.20 crore (loss ₹ 59.46 crore) includes loss ₹ 25.98 crore (loss ₹ 58.19 crore) on account of business associates for which necessary adjustment has been made in Purchases/ Sales Account and to that extent there is no impact on the profit for the year.

29.2 Details of exchange fluctuation (net) on account of business associates adjusted in Purchase/Sales are as follows:

(A) Export -Exchange Gain /(Loss) (Adjusted in Purchase)	0.93	26.50
(B) Import- Exchange Gain /(Loss) (Adjusted in Sales)	(26.91)	(84.69)
Exchange Fluctuation-net Gain/(Loss) (A+B)	(25.98)	(58.19)

29.3 Itemwise of Purchase

HR Carbon Steel plates	1,676.52	-
Gold	6,670.20	8,541.91
Silver	1,867.14	3,029.44
Urea	2,994.86	1,576.96
Wheat	88.30	1,738.30
Others	1,091.59	410.86
Total	14,388.61	15,297.47

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crore)

NOTE NO 30

CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
(a) Inventories of finished goods		
Opening balance	0.67	1.30
Less: Closing balance	0.08	0.67
Changes in inventories of finished goods	0.59	0.63
(b) Inventories of work-in-progress		
Opening balance	–	–
Less: Closing balance	–	–
Changes in inventories of work-in-progress	–	–
(c) Inventories of stock-in-trade		
Opening balance	0.08	41.96
Less: Closing balance	5.04	0.08
Changes in inventories of stock-in-trade	(4.96)	41.88
Total (a+b+c)	(4.37)	42.51

NOTE NO 31

EMPLOYEE BENEFITS EXPENSE

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
(a) Remuneration to Staff & Managers		
Salaries and Allowances	73.85	76.04
Provident fund	5.13	5.44
Employees pension scheme 95 (EPS 95)	0.75	0.49
Performance Related Pay	0.01	–
Welfare Expenses:		
- Medical Expenses on regular employees	4.62	5.53
-Medical Expenses on retired employees	8.50	8.62
-Medical Expenses on Actuarial Liability	0.62	26.50
-Long Service Award	0.20	0.22
- Others	1.37	0.97
Gratuity	0.96	7.08
Pension	4.29	4.27
Total(a)	100.30	135.16
(b) Remuneration to Directors		
Salaries and Allowances (including sitting fees)	1.30	1.36
Provident fund	0.09	0.08
Welfare Expenses		
- Medical Expenses on regular Directors	0.03	0.03
-Medical Expenses on retired Directors	0.17	0.09
Gratuity	0.02	0.04
Pension	0.07	0.07
Total(b)	1.68	1.67
Grand Total (a+b)	101.98	136.83

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crore)

31.1 As per Accounting Standard-15 (Revised) "Employee Benefits", the disclosure as defined in the Accounting Standard are given in Note No. 53.

31.2 Value of Bonus paid ₹ 5,306 (₹ 2,987)

31.3 Whole time directors are allowed use of company car for non-duty journey up to 1000 km per month on payment of ₹ 2000 per month as per DPE OM dated 21st January, 2013.

31.4 Actual medical expenses incurred towards retired employees including retired directors is ₹ 8.67 crore (₹ 8.71 crore) and provision for post-retirement medical benefits on actuarial basis is ₹ 0.61 crore (₹ 26.50 crore).

NOTE NO 32 FINANCE COSTS

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
(a) Interest Expense		
- to Banks	548.34	503.28
- Business associates	2.33	1.03
(b) Others	16.20	0.11
Total	566.87	504.42

NOTE NO 33 DEPRECIATION AND AMORTIZATION EXPENSE (Refer Note no. 12.3)

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
Tangible Assets		
Free hold assets:		
(a) Buildings	4.27	0.27
(b) Plant & Machinery	1.41	2.33
(c) Furniture & fittings	0.16	0.19
(d) Motor Vehicles	0.03	0.01
(e) Office equipment	0.14	0.50
(f) Railway sidings	–	–
(g) Computers and data processing units	0.20	0.34
(h) Electrical Insatallations & equipment	0.30	–
Sub Total	6.51	3.64
Lease hold assets:		
(a) Land	0.66	0.08
(b) Buildings	13.40	1.48
(d) Roads, culverts & sewerage etc.	–	0.02
Sub Total	14.06	1.58
Intangible Assets		
(a) Amortization of Computer software	0.04	0.05
Grand Total	20.61	5.27

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crore)

NOTE NO 34 OTHER EXPENSES

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
(a) Other Operating Expenses		
L/C Negotiation & Bank Charges	0.52	1.28
Godown, Plot, Tank Rent	1.93	3.86
Claims Paid	5.14	2.90
Commission on Sales	0.01	0.02
Delivery charges	0.27	0.65
Cost of Tender	0.16	0.34
Others	0.17	0.68
Total (a)	8.20	9.73
(b) Administration expenses		
Office Rent	2.83	3.11
Rates and Taxes:	0.01	0.01
- Property Tax to Municipal Corporation	1.36	1.34
- Wealth Tax	0.07	0.03
- Others	0.03	0.03
Electricity and Water Charges	2.55	2.66
Printing and Stationery	0.33	0.54
Postage	0.19	0.18
Telephones	1.13	1.15
Books and Periodicals	0.04	0.05
Repairs :	-	0.01
- Building	0.06	0.08
- Others	0.33	0.34
Travelling Expenses	2.27	2.17
Housing Colony Expenses	2.66	2.36
Service Vehicle Expenses	0.98	1.09
Insurance Premium	0.15	0.20
Auditors' Remuneration		
- Statutory Audit Fees	0.15	0.14
- Tax Audit Fees	0.08	0.07
- Certification fees	0.03	0.03
- Other charges - TA/DA etc.	0.01	0.01
HRD Expenses	0.67	0.49
Information Technology Expenses	0.17	0.14
Conveyance Expenses	0.07	0.07
Maintenance of office building	1.11	1.40
Misc. Office expenses	3.73	3.44
Donations	-	0.05
Total (b)	21.01	21.19

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crore)

NOTE NO. 34 (Contd.)

OTHER EXPENSES

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
(c) Trade Expenses		
Legal & Professional Expenses	6.28	2.30
Advertisement & Publicity	0.87	1.30
Exchange Fluctuations other than commodity items	1.02	0.52
Bank Charges	0.66	0.65
Entertainment expenses	0.36	0.40
Hospitality and Public Relations	0.04	0.03
Corporate Social Responsibility	0.40	0.54
Research and Development	–	0.08
Other Trade Expenses	1.21	0.83
Total (c)	10.84	6.65
Total (a+b+c)	40.05	37.57

NOTE NO 35

EXCEPTIONAL ITEMS

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
(a) Expenses		
Loss on sale of fixed assets	0.01	0.08
Voluntary retirement benefit	0.01	3.64
Loss on revaluation of assets	2.20	–
Total (a)	2.22	3.72
(b) Write Offs		
Trade Receivables	14.17	3.07
Claims	0.02	23.07
Loans and Advances	–	81.92
Deposits	0.04	–
Assets	0.01	0.03
Total (b)	14.24	108.09
(c) Provision for Doubtful debts, Loans and advances & Investment		
Trade Receivables	7.52	353.60
Claims	0.96	127.50
Loans and Advances	0.03	0.28
Deposits	3.31	–
Investment - Long Term Investments	0.10	–
Total (c)	11.92	481.38
(d) Income		
Profit on Sale of Fixed Assets	0.04	0.03
Liabilities Created in previous years written back :		
- Statutory	0.09	0.05

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crore)

NOTE NO. 35 (Contd.) EXCEPTIONAL ITEMS

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
- Others	4.71	16.42
Provision Written back for doubtful amounts realized :		
-Trade Receivables	0.03	0.22
-Loans and Advances	0.51	-
Provision Written back for doubtful amounts written off :		
-Trade Receivables	14.15	3.15
-Claims	0.02	0.35
-Deposits	0.04	-
-Assets	0.01	0.03
Write back of unclaimed credit balances	3.82	3.39
Total (d)	23.42	23.64
Total (a+b+c-d)	4.96	569.55

NOTE NO 36 Extraordinary items

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
Loss due to Earthquake/Cyclone/flood	-	-
Loss due to Fire	-	-
Total	-	-

NOTE NO 37 Prior Period Adjustment Net (debit/credit)

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
(a) Income		
Interest Income	0.05	(0.04)
Misc. Income	1.21	0.51
Total (a)	1.26	0.47
(b) Expenditure		
Cost of Sales	-	0.12
Overheads		
- Administration	0.11	0.16
- Trade	0.03	0.03
Interest	-	0.01
Depreciation	0.01	-
Total (b)	0.15	0.32
Net Adjustment (a-b)	1.11	0.15
(Minus (-) shows expenses and Plus (+) shows income)		

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crore)

NOTE NO 38 CURRENT TAX

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
Current Tax		
Current Tax has been computed on profit of the year as per the prevailing tax laws	9.81	–
Total	9.81	–

NOTE NO 39 DEFERRED TAX ASSETS (NET)

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
Deferred Tax (net) is computed as per the prevailing tax laws		
Deferred Tax Assets	–	–
Deferred Tax Assets (Net)	–	–

39.1 For details refer Note No. 17.1

NOTE NO 40 PROFIT (LOSS) FROM DISCONTINUING OPERATIONS

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
(a) Income from discontinuing operation	–	–
(b) Expenses of discontinuing operation	–	–
Profit (Loss) (a-b)	–	–

NOTE NO 41 TAX EXPENSE OF DISCONTINUING OPERATIONS

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
Tax expense of discontinuing operations	–	–
Tax has been computed on discontinuing operation as per the prevailing tax laws		
TOTAL	–	–

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crore)

NOTE NO 42

EARNINGS PER EQUITY SHARE -BASIC

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
A. Profit After Tax (PAT)	(386.39)	(844.72)
B. Weighted average No. of equity shares (in crore)	6.00	6.00
EPS - Basic in ₹ (A/B)	(64.40)	(140.79)
Face Value in ₹	10.00	10.00

NOTE NO 43

EARNINGS PER EQUITY SHARE -DILUTED

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
A. Profit After Tax (PAT)	(386.39)	(844.72)
B. Weighted average No. of equity shares (in crore)	6.00	6.00
EPS - Diluted in ₹ (A/B)	(64.40)	(140.79)
Face Value in ₹	10.00	10.00

SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Consolidation :

The consolidated Financial Statements relate to The State Trading Corporation of India Limited and its 100% Subsidiary The Spice Trading Corporation of India Limited (STCL).

- a) The financial statements of the company and its subsidiary company have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. The effect of intra group transactions are eliminated in the consolidation.
 - b) The difference between the cost of investments in the subsidiary/associate, over the net assets at the time of acquisition of share in the subsidiary/associate is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
 - c) The financial statements of joint ventures entities are combined by applying proportionate consolidation method on a line by line items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard (AS-27) "Financial Reporting of Interest in Joint Ventures".
 - d) As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for the transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statements except as otherwise stated in other notes to the accounts.
2. Investments other than in Subsidiaries, Associates and Joint Ventures have been accounted for as per Accounting Standard (As-13)"Accounting for Investments".

3. Other Significant Policies :

These are set out under 'Significant Accounting Policies' as given in separate Financial Statements of The State Trading Corporation of India Limited and its Subsidiary STCL Limited.

FOR P. JAIN & CO.

Chartered Accountant
FRN: 000711C

Sd/-
(Pankaj Jain)

Partner

M. No. 097279

Place : New Delhi

Dated : 18.09.2015

Sd/-

(KHALEEL RAHIM)

Chairman & Managing Director

Sd/-

(B.R. DHAWAN)

Chief General Manager - Finance

Sd/-

(S K SHARMA)

Director

Sd/-

(R.K. GOGIA)

Company Secretary

Notes forming part of Consolidated Financial Statements

45. CONTINGENT LIABILITIES & COMMITMENT

		(₹ in crore)	
I	Contingent Liabilities not provided for	31.3.2015	31.3.2014
A	Claims against the company /disputed liabilities not acknowledged as debt (incl. interest wherever determined)	4197.76	3031.51
B	Guarantees	59.49	66.57
C	Other money for which company is contingently liable	26.24	46.07
II	Commitment		
A	Estimated amount of contracts remaining to be executed on capital account and not provided for	9.25	9.57
B	Uncalled liability on shares and other investments partly paid	–	–
C	Other commitments	–	–

Notes:

- (a) The above claims/demands are at various stages of appeal and in the opinion of the company are not tenable. Further, in some of the cases amounts included under contingent liabilities relate to commodities handled on Government of India account and liability, if any, would be recoverable from Government of India.
- (b) Contingent Liabilities include an amount of ₹ 82.57 crore (₹ 170.86 crore) along with interest payable to a foreign supplier on account of import of Pulses in earlier years as per award of arbitral Tribunal passed in favour of foreign supplier. STC has filed an appeal against the Tribunal award in the Hon'ble Delhi High Court. This transaction was undertaken on behalf of Ministry of Consumer Affairs (MOCA), hence the corresponding claim is made with MOCA, which is under consideration.
46. Trade receivables, loans & advances and other current & non-current assets which are not specifically mentioned in notes include ₹ 18.85 crore (₹ 61.09 crore) which are under dispute/litigation. In some cases, there are corresponding payments withheld or receivables relating to commodities handled on account of Government of India. Hence no provision is considered necessary.
47. Balances in parties' accounts, claim recoverable and advances are subject to reconciliation/confirmation in many cases and are subject to adjustments that may arise on reconciliation.
48. Current and other liabilities include balances that are subject to reconciliation/ confirmation and consequential adjustments.
49. Purchases and Sales mainly represent procurement and/or supply undertaken for and on behalf of Business Associates by the Company on a fixed trade margin where the ultimate beneficiary is the Associate who is also liable to indemnify the losses, if any. The recognition is based on the legal and contractual obligations assumed by the Company and the transfer of title to the goods passing through it under the contract.

50. ADDITIONAL INFORMATION PURSUANT TO PART II OF SCHEDULE-III OF THE COMPANIES ACT, 2013

		(₹ in crore)	
		2014-15	2013-14
a)	Value of Imports on CIF basis		
	Import of Trading Goods including freight etc.*	11186.03	12389.70
b)	Expenditure in Foreign Currency (on accrual basis)		
i)	Interest	0.68	–
ii)	Training	0.01	0.04
iii)	Travelling	0.25	0.11
iv)	Agency Commission	–	0.01
v)	Others	4.20	3.94
	Total	11191.17	12393.80
c)	Earning in Foreign Exchange (on accrual basis)		
i)	Export of goods on FOB basis*	126.38	1780.96
ii)	Others	–	–
	Total	126.38	1780.96

* include third party transactions.

51. INFORMATION ABOUT BUSINESS SEGMENT AS AT 31.03.2015
INFORMATION ABOUT CONSOLIDATED BUSINESS SEGMENT AS ON 31.03.2015

(Amount in Crore)

S. No.	PARTICULARS	EXPORT		IMPORT		DOMESTIC		UNALLOCATED		CONSOLIDATED	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
1	Revenue										
a.	External sales	1,884.47	1,786.29	12,050.27	13,613.40	559.27	138.99	-	-	14,494.01	15,538.68
b.	Inter-segment sales	-	-	-	-	-	-	-	-	-	-
	Total Revenue (1a+1b)	1,884.47	1,786.29	12,050.27	13,613.40	559.27	138.99	-	-	14,494.01	15,538.68
2	Result										
a.	Segment result	15.51	40.98	80.66	145.55	5.47	2.28	-	-	101.64	188.81
b.	Unallocated corporate expenses	5.62	2.27	(3.32)	131.66	0.92	7.29	127.72	573.20	130.94	714.42
3	Operating Profit (2a-2b)	9.89	38.71	83.98	13.89	4.55	(5.01)	(127.72)	(573.20)	(29.30)	(525.61)
4	Interest expenses	41.19	30.16	2.88	0.85	0.06	0.22	522.74	473.19	566.87	504.42
5	Interest Income	203.60	175.52	4.43	2.04	0.02	5.07	5.83	2.35	213.88	184.98
6	Income tax	-	-	-	-	-	-	5.21	(0.18)	5.21	(0.18)
7	Profit from ordinary activities (3-4+5-6)	172.30	184.07	85.53	15.08	4.52	(0.16)	(649.84)	(1,043.86)	(387.50)	(844.87)
8 a	Extraordinary loss/Expenses	-	-	-	-	-	-	-	-	-	-
8 b	Prior period adjustment (Debit) / Credit	(0.02)	(0.04)	0.61	(0.12)	0.05	0.50	0.47	(0.19)	1.11	0.15
	Total (8a-8b)	0.02	0.04	(0.61)	0.12	(0.05)	(0.50)	(0.47)	0.19	(1.11)	(0.15)
9	Profit /(Loss) from Discontinue operations	-	-	-	-	-	-	-	-	-	-
9	Net Profit (7-8)	172.28	184.03	86.14	14.96	4.57	0.34	(649.38)	(1,044.05)	(386.39)	(844.72)
10	Other Information										
a.	Segment assets	3,157.46	2,543.02	251.90	391.26	139.94	177.13	1,126.21	220.68	4,675.51	3,332.09
b.	Segment liabilities	1,858.21	1,440.76	300.37	485.39	93.01	10.36	4,246.59	3,747.75	6,498.18	5,684.26
c.	Capital Expenditure	-	-	-	-	-	-	1.28	1.41	1.28	1.41
d.	Depreciation	-	-	-	-	-	-	20.61	5.27	20.61	5.27
e.	Non -cash expenses other than depreciation	-	(79.53)	6.25	1.20	0.20	7.38	21.76	660.43	28.21	589.48

52. RELATED PARTY TRANSACTION

Key Management Personnel

i. Directors

a. Shri Khaleel Rahim	Chairman & Managing Director
b. Shri M. M. Sharma	Director (Personnel)(up to 30.06.2014)
c. Shri Manoj Mishra	Director (Finance)
d. Shri Rajiv Chopra	Director (Marketing)
e. Shri Sanjeev Sharma	Director (Personnel) (from 16.07.2014)
f. Sh. H.P. Girish	Managing Director (STCL Limited)

ii. Relatives of Directors

None

Remuneration (including allowance & perquisites) paid to Key Management Personnel ₹ 1.79 crore (₹ 1.67 crore).

53. Disclosure as per AS-15 (Employee Benefits)

General description of various defined employee benefit schemes are as under:

A. Provident Fund

Company pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the year is recognised as expenses and is charged to the Statement of Profit & Loss. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by the Government. Overall interest earnings and cumulative surplus is more than the statutory interest payment requirement.

B. Post-Retirement Medical Facility (PRMF)

The company has Post-Retirement Medical Facility (PRMF), under which retired employee and his/her spouse are eligible for medical facilities in the empanelled hospitals. They can also avail treatment as Out-Patient subject to a ceiling fixed by the Company. Post retirement medical benefits are recognised in the books as per the actuarial valuation. Total liability of ₹ 94.58 crore (₹ 93.97 crore) is estimated as per actuarial valuation as on 31.03.2015 for on roll and retired employees.

C. Leave

The Company provides for Earned Leave (EL) and Half Pay Leave (HPL) benefit to the employees of the Company which accrue annually at 30 days and 20 days respectively. The maximum ceiling for encashment of leave at time of superannuation/cessation from service other than on disciplinary ground shall be limited to 300 days (EL & HPL combined). 50% of EL subject to a maximum 150 days is en-cashable on resignation. EL is en-cashable while in service leaving a minimum balance of 15 days twice in a year. Total liability of ₹ 15.66 Crore (₹ 16.19 Crore) for EL and ₹ 13.77 Crore (₹ 13.72 Crore) for HPL is estimated as per actuarial valuation as on 31.03.2015.

D. Gratuity

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 x last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹ 10 lakhs on superannuation, resignation, termination, disablement or death. Total liability of ₹ 53.54 Crore (₹ 53.15 Crore) is estimated as per actuarial valuation as on 31.03.2015 for on roll employees.

E. Other Benefits

Service awards are given to regular employees for rendering continuous service in the Company for long service rendered by them on completion of 15/25/30/35/38 years of service. Besides this, service award @ ₹ 1,000/- per year for each completed year of service is also given at the time of retirement subject to a maximum of ₹ 30,000/-. Total liability of ₹ 1.57 Crore (₹ 1.56 Crore) is estimated as per actuarial valuation as on 31.03.2015 for on roll employees.

F. Pension

Company has defined contribution pension plan for its existing employees in pursuance to the guidelines issued by the Department of Public Enterprises. In this regard STC Employees Defined Contribution Superannuation Pension Trust has been formed. Under the scheme the employer's contribution is 9% of basic pay plus VDA of eligible employees and the funds of the trust are managed by LIC.

The summarised position of various defined benefits recognised in the Statement of Profit & Loss and Balance Sheet are as under:

i. Expenses recognized in Statement of Profit & Loss

(₹ in Crores)			
2014-15			
Particulars	Gratuity	Earned Leave	Half Pay Leave
Current Service Cost	2.13	1.09	0.84
Past Service Cost	–	–	–
Interest Cost	4.36	1.38	1.16
Expected return on plan assets	(4.15)	–	–
Net actuarial (gain)/loss recognized in the year	(1.59)	2.35	(0.77)
Expenses recognized in the Statement of Profit & Loss	0.75	4.82	1.23

ii. The amount recognized in the Balance Sheet

Particulars	Gratuity	Earned Leave	Half Pay Leave
Present value of obligation as on 31.3.2015	53.54	15.66	13.77
Fair value of plan assets as on 31.3.2015	52.70	–	–
Funded Status	(0.84)	(15.66)	(13.77)
Net Asset /(Liability) recognized in the Balance Sheet	(0.84)	(15.66)	(13.77)

iii. Changes in the present value of defined benefit obligations

Particulars	Gratuity	Earned Leave	Half Pay Leave
Present value of obligation as on 1.4.2014	53.15*	16.19	13.72
Interest cost	4.36	1.38	1.16
Current Service Cost	2.13	1.09	0.84
Past Service Cost	–	–	–
Benefits paid	(4.56)	(5.35)	(1.18)
Actuarial (gain)/loss on obligation	(1.54)	2.35	(0.77)
Present value of the defined obligation as on 31.03.2015	53.54	15.66	13.77

* includes ₹ 1.88 crores relating to liability of previous year in respect of retired employees and employees transferred from other organisation

iv. Changes in the fair value of plan assets:

Particulars	Gratuity	Earned Leave	Half Pay Leave
Fair value of plan assets as on 1.4.2014	46.12	–	–
Expected return plan assets	4.15	–	–
Contributions by employer	6.95	–	–
Benefit paid	(4.56)	–	–
Actuarial gain / (loss)	0.05	–	–
Fair value of plan assets as on 31.3.2015	52.70	–	–

v. Actuarial Assumptions

Particulars	Gratuity	Earned Leave	Half Pay Leave
Discount rate	8.00%	8.00%	8.00%
Expected return on plan asset	9.00%	–	–
Future Salary Increase	8.00%	8.00%	8.00%

The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that of the liabilities and the salary growth rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis.

54. Foreign Exchange Exposure as on 31.03.2015

(a) On STC's Account

Particulars	(Foreign Currency in crore)			
	Hedged		Unhedged	
	Receivables	Payables	Receivables	Payables
USD	–	–	0.07 (0.02)	0.50 (78.89)

(b) On Business Associate Accounts

Particulars				
	Hedged		Unhedged	
	Receivables	Payables	Receivables	Payables
USD	–	– (0.07)	31.38 (31.46)	2.17 (1.02)
EURO	–	–	0.09 (0.09)	0.02 (–)
CHF	–	–	–	– (0.06)

Note: The above excludes an amount of USD 35.54 crore (USD 31.99 crore) recoverable at average rate of 1 USD = ₹ 46.16 (₹ 46.18) frozen as per conciliation agreement with the Business associates.

55. The company has a system of physical verification of inventories and fixed assets in phased manner at regular interval and verified with Books of Accounts and records. Differences observed, if any, are dealt with accordingly in the books.
56. As required by the Accounting Standard-28 on "impairment of Assets", the company has carried out the assessment of impairment of assets. There has been no impairment loss during the year.
57. (a) The Subsidiary namely, The Spice Trading Corporation of India Ltd. (STCL) had appointed M/s. ICRA Management Consultancy Services, to prepare a Turn-around Plan for the Company in view of its weak financial position. Based on the Report submitted by the Consultant, the Board of Directors of the Company has passed a Resolution on 18.04.2013 to take necessary steps for winding-up of the Company and to introduce a voluntary separation scheme (VSS) to employees. The union cabinet has approved in its meeting held on 13.08.2013 for winding up of STCL limited. Accordingly the subsidiary company has filed winding up petition dated 26.11.2013 before Hon'ble High Court of Karnataka which is pending for disposal. The Subsidiary company has offered VSS to the regular employees during the September 2013 out of total strength of 51 employees, 32 employees have opted for VSS.
- (b) Holding Company (The State Trading Corporation of India Limited) has not given any guarantee for the credit facility availed by the subsidiary company STCL.
58. In the opinion of the Management of Company, the Current Assets, Loans & Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and necessary provision has been made in the cases wherever it is considered as doubtful.
59. As full provision for doubtful debts has already been made in the previous years, no further interest income is recognised. The amounts will be recognised as income in the year of actual recovery on cash basis. The interest payable to consortium of banks and UCO Bank is ₹ 409.03 crore calculated on accrual basis is to be recovered from the business associates to whom the credit facilities were provided.
60. The Subsidiary, STCL has filed a civil suit in 1994 against M/s. Rajesh Spices for breach of contract on supply of chillies to M/s. Kerala State Civil Supplies Corporation under back to back supply contract terms. The City Civil

Court has passed a decree in favour of the Company directing M/s. Rajesh Spices to pay ₹ 0.34 crore with interest @ 9% p.a. [from the date of suit i.e., June 1994 to till realisation] to subsidiary company during August 2011. The decree passed in favour of the subsidiary company has been transferred to City Civil Court, Nagpur, Maharashtra for recovery.

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

62. Disclosure as per AS 19 – LEASE (Subsidiary company)

- (a) The Steam Sterilization unit at Chhindwara which was leased out to M/s. A-Tech Engineering & Management on 30.09.2013 on OMT basis (Operate Maintain and Transfer) for a period of 5 years jointly by Spices Board and subsidiary company on a lease rent of ₹ 0.02 crore p.m. w.e.f. 01.11.2013 with an annual increase of 10%. A security deposit of ₹ 0.25 crore in the form of bank guarantee and non-refundable pre-operative deposit of ₹ 0.05 crore was payable to the lessor(s) as per the terms of the Lease. Due to non-performance as per the contract, the contract has been terminated vide letter dated 03.02.2015. The amount of bank guarantee of ₹ 0.25 crore has been forfeited by the Spices Board. The subsidiary company share in the bank guarantee of ₹ 0.25 crore and non-refundable pre-operative deposit of ₹ 0.05 crore has been adjusted towards lease rent. Further for recovery of the shortfall, necessary legal steps shall be initiated.

- (b) The details of fixed assets at Steam Sterilization unit at Chhindwara as below:

Class of Assets	As on 01.04.2014			For the year 2014-15 recognised in P&L	
	Gross carrying amount	Accumulated depreciation	Accumulated Impairment	Depreciation	Impairment/ impairment Losses reversed
Land	0.19	–	–	–	(0.10)
Factory Building	1.11	0.19	–	0.04	0.45
Plant & Machinery	5.21	2.55	–	0.26	0.98
Total	6.51	2.73	–	0.30	1.33

63. (i) Accounting treatment of Government Grants by subsidiary company :
- Government grants relating to depreciable fixed assets (capital) are treated as deferred income and the same shall be recognized in the profit & loss account on a systematic basis over the useful life of the asset.
 - Government grants relating to revenue are recognized as income in the profit and loss account over the period necessary to match with the related costs/cause which they are intended to compensate.
 - Government grants of the nature of promoters contribution is credited to capital reserve and any refunds against the contribution shall be reduced from the capital reserve.
- (ii) The value of cardamom auctions sales are considered as part of the turnover and accounted as purchases and sales accordingly by subsidiary company.
- (iii) The accounting policies followed by the Subsidiary are different from the accounting policies of the company as given below:
- The accounts of the subsidiary company are prepared based on the assumption that the subsidiary company is not a going concern due to following reasons.
 - The shareholder of the company in their extraordinary general meeting held on 12.09.2013 has approved winding up of the company under section 433(a) of the Companies Act, 1956.
 - Department of Commerce, Ministry of commerce and Industry vide its letter dated 26.08.2013 has conveyed approval of the Union Cabinet for winding up of the company and to offer voluntary separation scheme (VSS) to the employees.
 - Accordingly the company had filed winding up petition before the Hon'ble High court of Karnataka on 26.11.2013.

- b) Liability towards Post-retirement Medical benefits has not been provided by Subsidiary company and in case of gratuity, Leave encashment and Half Pay Leave are not determined on the basis of actuarial valuation. The provision for earned leave and HPL encashment of ₹ 0.04 crore (₹ 0.10 crore) is made based on salaries on the balance sheet date. In case of gratuity, Premium payable to LIC of India towards the Group Gratuity Policy under defined contribution plan is charged to expenditure every year by Subsidiary Company.
- c) Interest receivables from Sundry Debtors has been recognised on cash basis by Subsidiary company.
- d) The income /expense relating to prior period in the nature of errors or omissions, which does not exceed ₹15000/- in each case, is treated as Income/Expense of the current year.
- e) Estimated life of Roads, Culverts, Sewerage and Water Supply System is taken as 10 years by the subsidiary company whereas STC is taking estimated life as 30 years.
- f) The subsidiary company is maintaining residual value of relevant fixed assets at estimated realizable value whereas the same is maintaining at 5% of the original cost by STC.
- g) Subsidiary Company depreciated tangible assets on pro-rata basis with reference to the month of acquisition/disposal whereas the same is being charged from actual date by STC.

The impact of above policies is negligible hence not adjusted in consolidated financial statements.

h) REDRAW OF ACCOUNTS ON LIQUIDATION BASIS

The original financial statements approved by the Board in its 148th meeting held on 20.05.2015 was presented to statutory auditors for their opinion, based on which the statutory auditor had given their report on 16.06.2015. The audited financial statements along with auditors report was forwarded to C&AG. The auditors had qualified that the accounts are not prepared on the liquidation basis even though the company has stated that the financial statements are prepared on the basis that company is not a going concern. The board of STCL in its 149th meeting held on 02.07.2015 approved for re-drawing the accounts on liquidation basis. In this regard the company has informed to C&AG vide its letter no. STC:ACCTS:MAB:14-15:275 dated 03.07.2015. Accordingly company has re-drawn the accounts on liquidation basis i.e. the assets have been revalued on realizable basis where as the liability towards banks have been stated at book value in view of legal cases initiated by the banks against the company for recovery of their dues, and all other liabilities at their settlement value.

Change in revised accounts tabulated as follows:

Particulars	Original financial statements	Revised financial statements	Difference	Reasons of difference
Reserves and Surplus	(28,61,92,10,181)	(28,63,09,08,681)	1,16,98,500	The reserves and surplus which were shown in the original financial statements has been changed on account of recognition of loss arising out of revaluation of assets amounting to ₹ 9932353/-, provision for lease rent receivable ₹ 1796655/-, trade receivable written off ₹ 94425/-, bank charges ₹ 1168/- and interest income ₹ 126097/-.
Long term provisions	2,87,35,556	-	2,87,35,556	The long term provisions which were shown in original financial statements are being shown under short term provisions in revised financial statements.
Short term provisions	16,80,888	3,04,16,444	(2,87,35,556)	The long term provisions which were shown in the original financial statements are being shown under short term provisions in revised financial statements.
Short term borrowings	11,85,26,56,804	11,85,26,44,829	11,975	Interest on margin money was not accounted has now been accounted as per 26AS. The above interest is adjusted against short term borrowings

Particulars	Original financial statements	Revised financial statements	Difference	Reasons of difference
Tangible assets	5,89,21,264	4,89,88,911	99,32,353	In the original financial statements tangible assets are shown at historical cost less depreciation & impairment loss, if any. In the revised financial statements the value of tangible assets are recorded as per valuation report of registered valuers & chartered engineers vide their report dated 13.07.2015.
Long term loans & advances	11,37,12,640	11,38,18,665	(1,06,025)	The TDS receivable which was not accounted has now been accounted as per 26AS.
Trade Receivable	29,41,080	10,50,000	18,91,080	₹ 94,425/- receivable from onion debtors have been written off and ₹ 17,96,655/- receivable from the lessee towards lease rent has been provided for.
Cash & Bank balances	4,03,58,287	4,03,57,119	1,168	Bank charges has been accounted as per the bank confirmation statement received subsequently.
Short term loans & advances	34,06,171	34,14,272	(8,101)	Interest on security deposit was not accounted has now been accounted as per 26AS. The above interest is adjusted against short term loans and advances.

64. Accounting for Investment in Associates & Joint Ventures :-

(₹ in Crores)					
S. No.	Name of Associates and Joint Venture	Net Assets i.e. total assets minus total liabilities		Share in Profit & loss	
		As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Associates					
1.	Richfield Aquatech Ltd.	Under Liquidation			
2.	Blue Maritech Ltd.	Dormant Company			
3.	National Tannery Company Limited	Under Liquidation			
4.	Indopirin Gloves Limited	Dormant Company			
Joint Ventures					
1.	NSS Satpura Agro Development Co. Ltd.	Not Available			

(Refer note 16 & 16.1)

65. Accounting policies, Schedules and Notes on accounts attached form an integral part of the accounts. Values in brackets indicate corresponding previous year figure. Where ever considered necessary, previous year figures have been rearranged/regrouped to make them comparable with those of current year.

66. The figures pertaining to subsidiary company have been reclassified, where necessary, to bring them in line with the parent company's financial statements.

FOR P. JAIN & CO.

Chartered Accountant

FRN: 000711C

Sd/-

(Pankaj Jain)

Partner

M. No. 097279

Place : New Delhi

Dated : 18.09.2015

Sd/-

(KHALEEL RAHIM)

Chairman & Managing Director

Sd/-

(B.R. DHAWAN)

Chief General Manager - Finance

Sd/-

(S K SHARMA)

Director

Sd/-

(R.K. GOGIA)

Company Secretary

Form AOC-1*

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

Part "A": Subsidiaries

As at March 31, 2015

(₹ Crore)

Sr. No.	Particulars	Amount
1	Name of the Subsidiary	STCL Limited
2	Reporting period of the subsidiary concerned, if different from the holding company's reporting period.	N.A.
3	Reporting currency and exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries.	N.A.
4	Share Capital	1.50
5	Reserves & Surplus	(2,863.09)
6	Total Assets	20.81
7	Total Liabilities	2882.40
8	Details of Investment (except in case of investment in the subsidiaries)	0.02
9	Turnover (Net)	0.23
10	Profit before taxation	(412.59)
11	Provision for taxation	-
12	Profit after taxation	(412.59)
13	Proposed dividend (including tax thereon)	-
14	% of shareholding	100%

- Note: 1. Name of the subsidiaries which are yet to commence operations - NIL
2. Names of subsidiaries which have been liquidated or sold during the year :- NIL

Part "B": Associates and Joint Ventures

Statement Pursuant to Section 129(3) of The Companies Act, 2013 Related to Associate Companies and Joint Ventures.

As at March 31, 2015

(₹)

Sr. No.	Name of the Associate / Joint Ventures	NSS Satpura Development Company Limited
1	Latest Audited Balance Sheet Date	Not available
2	Shares of Associate/ Joint Ventures held by the Company including subsidiary company on the year end - No. of Equity shares	2,00,000
3	Amount of Investment in Associates/ Joint Venture - Equity Shares	20,00,000
4	Extent of Holding (%)	50
5	Description of how there is significant influence.	Not available
6	Networth of the Company	Not available
7	Reason why the Associate/ Joint Venture is not consolidated.	Audited Accounts not available
8	Networth attributable to share holding as per latest Audited Balance Sheet (Equity only)	Not available
9	Profit/ loss for the year	
	(i) Considered in consolidation	Not available
	(ii) Not considered in consolidation	Not available

* Amended in view of approval of consolidated financial statements for the year 2014-15 by the Board in its meeting held on 18.09.2015.

Note: The requisite information in respect of associate companies namely Richfield Aquatech Ltd., Blue Maritech Ltd., National Tannery Company Ltd. & Indopirin Gloves Limited is not readily available. As these companies are dormant/under liquidation.

FOR P. JAIN & CO.
Chartered Accountant
FRN: 000711C

Sd/-
(Pankaj Jain)
Partner
M. No. 097279

Sd/-
(KHALEEL RAHIM)
Chairman & Managing Director

Sd/-
(B.R. DHAWAN)
Chief General Manager - Finance

Sd/-
(S K SHARMA)
Director

Sd/-
(R.K. GOGIA)
Company Secretary

Place : New Delhi
Dated : 18.09.2015

