



दि स्टेट ट्रेडिंग कॉरपोरेशन ऑफ़ इंडिया लिमिटेड  
(भारत सरकार का उद्यम)  
**THE STATE TRADING CORPORATION OF INDIA LTI**  
(A Govt. of India Enterprise)

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

28<sup>th</sup> May, 2018

Manager –Listing Compliance Department National Stock Exchange of India Limited Exchange Plaza, Bandra –Kurla Complex, Bandra (East), Mumbai-400051  Scrip Code : <b>STCINDIA-EQ</b>	Manger- Listing Compliance Department BSE Limited 1 <sup>st</sup> Floor, P.J.Towers, Dalal Street, Mumbai-400001  Scrip Code : <b>512531</b>
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Dear Madam/Sir,

**Sub: Annual Audited Financial Results (Standalone) for the Quarter and Year Ended March 31, 2018**

This is to inform that the Board of Directors of The state trading Corporation of India Limited at its meeting held on today .i.e. May 28, 2018 has taken on record and approved the Annual Financial Results (Standalone) for the quarter and Year ended March 31, 2018.

In pursuance of Regulation 33 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are enclosing herewith the following:

- Annual Audited Financial Results (Standalone) for the Quarter and Year ended March 31, 2018 along with the Statement of Assets and Liabilities.
- Auditors' Report on the Audited Financial Results (Standalone) for the financial Year ended March 31, 2018.

The Meeting of the Board of Directors commenced at 3:00 PM and concluded at 08:00 PM

This is for your information and record please.

Thanking you,

Yours sincerely,  
For The State Trading Corporation of India Limited

  
(Kamlesh Kumari)  
Company Secretary & Compliance Officer  
ACS-24616

**THE STATE TRADING CORPORATION OF INDIA LTD.**  
**Statement of Standalone Financial Results for the Quarter & Year ended March 31, 2018 (Ind AS COMPLIED)**  
**CIN: L74899DL1956GOI002674**

**Annexure-II**  
**(Rs. crore)**

<b>STANDALONE</b>					
Particulars	Quarter ended 31.03.2018	Quarter ended 31.12.2017	Quarter ended 31.03.2017	Year Ended 31.03.2018	Year Ended 31.03.2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
<b>Income</b>					
Revenue from Operations	2,078.58	2,236.82	2,825.73	10,865.71	7,814.49
Other Income	77.17	73.35	75.58	303.43	272.87
<b>Total Income</b>	<b>2,155.75</b>	<b>2,310.17</b>	<b>2,901.31</b>	<b>11,169.14</b>	<b>8,087.36</b>
<b>Expenses</b>					
Cost of materials consumed	-	0.01	-	0.01	0.04
Purchases of Stock in trade	2,066.46	2,220.07	2,813.77	10,797.50	7,815.55
Change in Inventory	9.85	2.78	(0.18)	39.44	(39.25)
Employees' Benefit Expenses	32.39	24.26	28.33	106.90	106.99
Finance Cost	50.65	43.94	43.32	178.68	159.28
Depreciation & Amortization Expenses	3.57	3.99	4.03	16.02	15.94
Other Expenses	8.48	5.45	9.97	27.57	34.76
<b>Total expenses</b>	<b>2,171.40</b>	<b>2,300.50</b>	<b>2,899.24</b>	<b>11,166.12</b>	<b>8,093.31</b>
<b>Profit before exceptional items and tax</b>	<b>(15.65)</b>	<b>9.67</b>	<b>2.07</b>	<b>3.02</b>	<b>(5.95)</b>
Exceptional Items - Expense / (Income)	(8.65)	(6.22)	(21.51)	(29.23)	143.86
<b>Profit Before Tax</b>	<b>(7.00)</b>	<b>15.89</b>	<b>23.58</b>	<b>32.25</b>	<b>(149.81)</b>
<b>Tax expense</b>					
(i) Current tax	(5.05)	(3.19)	15.47	(5.27)	16.01
(ii) Deferred tax	-	-	-	-	-
<b>Profit for the period from continuing operations (A)</b>	<b>(1.95)</b>	<b>19.08</b>	<b>8.11</b>	<b>37.52</b>	<b>(165.82)</b>
Profit/(loss) from discontinued operations					
Tax expense of discontinued operations					
<b>Profit from discontinued operations after tax (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>I Profit for the period (A+B)</b>	<b>(1.95)</b>	<b>19.08</b>	<b>8.11</b>	<b>37.52</b>	<b>(165.82)</b>
<b>II Other Comprehensive Income</b>					
Items that will not be reclassified to profit or loss					
- Remeasurements of the defined benefit plans	4.73	-	3.26	4.82	3.34
Less: Income Tax on Above	1.64	-	1.13	1.67	1.16
Items that will be reclassified to profit or loss					
<b>Total of Other Comprehensive Income</b>	<b>3.09</b>	<b>-</b>	<b>2.13</b>	<b>3.15</b>	<b>2.18</b>
<b>Total Comprehensive Income for the period</b>	<b>1.14</b>	<b>19.08</b>	<b>10.24</b>	<b>40.67</b>	<b>(163.64)</b>
<b>Paid up equity share capital (Face value of Rs. 10/- each)</b>	<b>60.00</b>	<b>60.00</b>	<b>60.00</b>	<b>60.00</b>	<b>60.00</b>
<b>Earnings per equity share : (Not Annualized)</b>					
(1) Basic (in Rupees)	0.19	3.18	1.71	6.78	(27.27)
(2) Diluted (in Rupees)	0.19	3.18	1.71	6.78	(27.27)

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

(Rs. crore)

PARTICULARS	STANDALONE				
	Quarter ended 31.03.2018	Quarter ended 31.12.2017	Quarter ended 31.03.2017	Year Ended 31.03.2018	Year Ended 31.03.2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
<b>1. Segment revenue</b>					
a) Export	16.81	132.71	325.33	279.19	793.11
b) Import	1,962.66	2,022.79	2,396.97	10,240.04	6,414.88
c) Domestic	99.11	81.32	103.43	346.48	606.50
<b>Total</b>	<b>2,078.58</b>	<b>2,236.82</b>	<b>2,825.73</b>	<b>10,865.71</b>	<b>7,814.49</b>
Less -Inter-segment revenue	-	-	-	-	-
<b>Revenue from operations</b>	<b>2,078.58</b>	<b>2,236.82</b>	<b>2,825.73</b>	<b>10,865.71</b>	<b>7,814.49</b>
<b>2. Segment results - Profit /(Loss) before tax and interest from each segment</b>					
a) Export	0.33	11.29	7.61	18.23	19.47
b) Import	0.42	1.04	2.55	4.82	10.11
c) Domestic	1.07	0.86	0.96	3.01	5.45
<b>Total</b>	<b>1.82</b>	<b>13.19</b>	<b>11.12</b>	<b>26.06</b>	<b>35.03</b>
Less:(I) Finance cost	50.65	43.94	43.32	178.68	159.28
(ii) Other unallocable expenditure net off					
Unallocable income	(41.83)	(46.64)	(55.78)	(184.87)	25.56
<b>Profit before Tax</b>	<b>(7.00)</b>	<b>15.89</b>	<b>23.58</b>	<b>32.25</b>	<b>(149.81)</b>
<b>3. Segment Assets</b>					
a) Export	3,156.88	3,093.91	2,984.15	3,156.88	2,984.15
b) Import	85.25	112.44	105.25	85.25	105.25
c) Domestic	52.69	78.33	98.86	52.69	98.86
d) Unallocated	1,143.38	1,105.24	1,094.88	1,143.38	1,094.88
<b>Total</b>	<b>4,438.20</b>	<b>4,389.92</b>	<b>4,283.14</b>	<b>4,438.20</b>	<b>4,283.14</b>
<b>4. Segment Liabilities</b>					
a) Export	1,327.65	1,357.14	1,367.76	1,327.65	1,367.76
b) Import	255.28	275.82	247.33	255.28	247.33
c) Domestic	62.47	81.87	38.70	62.47	38.70
d) Unallocated	1,861.99	1,744.21	1,739.20	1,861.99	1,739.20
<b>Total</b>	<b>3,507.39</b>	<b>3,459.04</b>	<b>3,392.99</b>	<b>3,507.39</b>	<b>3,392.99</b>

**Reconciliation of Total equity as reported in previous GAAP and as per Ind AS :**

Particulars	As at March 31, 2017	As at April 01, 2016
Total equity (shareholder's funds as per previous GAAP)	891.25	1056.79
Adjustments:		
Prior period error	(0.89)	(2.95)
Depreciation	(0.21)	(0.05)
<b>Total equity (shareholder's funds as per Ind AS)</b>	<b>890.15</b>	<b>1053.79</b>

**Reconciliation of Profit after tax for the quarter & Year ended 31st March 2017 between Ind-AS compliant results reported above with results reported as per previous Indian GAAP.**

Particulars	Quarter ended 31.03.2017	Year Ended 31.03.2017
Profit (after tax) as per previous GAAP	7.95	(165.54)
<b>Add: Adjustments as per IND AS</b>		
Actuarial Loss/(gain) on defined plans recognised in other comprehensive income	(3.26)	(3.34)
Effect of prior period item -expense/(Income)	2.38	2.06
Effect on Depreciation & Amortization expenses	(0.09)	(0.16)
Tax expense impact	1.12	1.15
<b>Profit (after Tax) for the period under Ind AS</b>	<b>8.10</b>	<b>(165.83)</b>
Other comprehensive income (net of tax) (actuarial Loss/gain on defined benefit plans)	2.14	2.19
<b>Total comprehensive income under Ind AS</b>	<b>10.24</b>	<b>(163.64)</b>



**THE STATE TRADING CORPORATION OF INDIA LTD**  
**Balance Sheet as at March 31, 2018 (Ind AS COMPLIED)**

(Rs in crore)

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 01, 2016
	(Audited)	(Audited)	(Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	601.89	617.19	635.26
(b) Capital work-in-progress	2.10	0.98	0.48
(c) Investment property	312.50	313.02	309.19
(d) Other intangible assets	0.10	0.02	0.03
(e) Financial Assets :			
(i) Non current investments	0.01	0.01	0.01
(ii) Trade receivables	964.55	980.63	1,068.82
(iii) Bank Balances	9.76	11.44	16.14
(iv) Loans	53.03	19.58	21.07
(v) Other Financial Assets	73.67	77.02	77.83
(f) Deferred tax assets (net)	-	-	-
(g) Tax Assets (Net)	9.33	13.88	12.06
(h) Other non-current assets	-	-	-
<b>Sub Total</b>	<b>2,026.94</b>	<b>2,033.77</b>	<b>2,140.89</b>
<b>Current Assets</b>			
(a) Inventories	0.25	39.71	0.42
(b) Financial Assets :			
(i) Current investments	-	-	-
(ii) Trade receivables	2,220.89	2,112.49	2,639.15
(iii) Cash & cash equivalents	98.79	6.94	8.65
(iv) Bank Balances other than (iii) above	2.35	2.16	0.94
(v) Loans	4.93	3.87	2.65
(vi) Other Financial Assets	48.59	29.65	15.18
(c) Tax Assets (Net)	10.02	19.67	31.85
(d) Other Current Assets	25.44	34.88	8.12
<b>Sub Total</b>	<b>2,411.26</b>	<b>2,249.37</b>	<b>2,706.96</b>
<b>Total Assets</b>	<b>4,438.20</b>	<b>4,283.14</b>	<b>4,847.85</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	60.00	60.00	60.00
(b) Other Equity	870.81	830.15	993.79
<b>Sub Total</b>	<b>930.81</b>	<b>890.15</b>	<b>1,053.79</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	-	146.28	-
(ii) Trade payables	993.29	992.64	1,015.33
(iii) Other Financial Liabilities	52.38	53.76	51.83
(b) Provisions	105.34	108.15	103.71
(c) Deferred tax liabilities (Net)	-	-	-
(d) Tax Liabilities (Net)	-	-	-
(e) Other non-current liabilities	1.23	1.92	2.30
<b>Sub Total</b>	<b>1,152.24</b>	<b>1,302.75</b>	<b>1,173.17</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	1,596.69	1,500.83	1,615.71
(ii) Trade payables	215.34	173.95	646.43
(iii) Other Financial Liabilities	424.74	289.49	295.64
(b) Provisions	31.81	20.06	15.94
(c) Tax Liabilities (Net)	-	-	-
(d) Other current liabilities	86.57	105.91	47.17
<b>Sub Total</b>	<b>2,355.15</b>	<b>2,090.24</b>	<b>2,620.89</b>
<b>Total Equity and Liabilities</b>	<b>4,438.20</b>	<b>4,283.14</b>	<b>4,847.85</b>



Notes

1) The financial results for the quarter & year ended 31st March, 2018 were reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on 28th May, 2018. The audited accounts are subject to Supplementary Audit by the Comptroller and Auditor General of India under section 143(6) of the Companies Act, 2013.

2) The figures for the three months ended 31.03.2018 and corresponding three months ended 31.03.2017 are the balancing figure between the audited figure in respect of the full financial year and the year to date figures up to the third quarter of the respective financial years.

3) The Company has adopted Indian Accounting Standards (Ind-AS) as notified by the Ministry of Corporate Affairs, w.e.f. 01.04.2017 and accordingly the results for the quarter & Year ended 31.03.2018 are in compliance with Ind-AS. The date of transition to Ind-AS is 01.04.2016. The results for the quarter & Year ended 31.03.2017 have been restated to comply with Ind-AS to make them comparable.

4) Trade receivables include Rs.2076.70 crore (Rs. 1904.24 crore) (excludes contingent asset Rs.248.06 crore (Rs.230.43 crore)) for goods sold during previous years to one of the business associate. Dues are secured by EMD of Rs.29.73 crore 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 which has been held as final decree by Hon'ble Supreme Court. The case for enforcement of decree is continuing with Hon'ble Supreme Court. During the year, the business associate remitted an amount of Rs.100.00 crore with the knowledge of Hon'ble Supreme Court. Considering the status of case in the Hon'ble Supreme Court, the management is hopeful that the associate may come out with settlement proposal for repayment of entire dues to STC. Next date of hearing is 04.07.2018. Hence the debt is good and recoverable.\*

5) Other Income include interest of Rs.259.47 crore (F.Y 2016-17 Rs.231.93 Crore) recoverable from one of the business associate with whom conciliation agreement has been signed which has been held as final by Hon'ble Supreme Court. Dues are secured by EMD of Rs.29.73 crore and the personal guarantee of Chairman of its holding company. The case for enforcement of decree is continuing with Hon'ble Supreme Court. During the year, the business associate remitted an amount of Rs.100.00 crore with the knowledge of Hon'ble Supreme Court. Considering the status of case in the Hon'ble Supreme Court, the management is hopeful that the associate may come out with settlement proposal for repayment of entire dues to STC. Next date of hearing is 04.07.2018. Hence the debt is good and interest accrued thereon is recognized as income.\*

6) The Company is a CPSE under administrative control of the Ministry of Commerce & Industry. The Company is primarily in the business of trade with State Trading Organizations of various countries, to undertake promotion of export and to undertake market intervention operations in commodities as specified by Government from time to time. The company has seven offices all over the country and is fully equipped with the necessary infrastructural facilities to undertake any volume of business operations. The company is participating in several business opportunities.

For last few years the company is facing mismatch in inflows and outflows of funds due to huge recoverable from associates with whom the company had undertaken trade transactions and who had defaulted in making timely payment to STC. Legal actions have been taken for recovery from the associates.

All these have led to temporary financial crunch, operating losses, reduction of net worth. Due to non payment of Loan and interest on borrowings, banks have reported the company account as NPA. The company has appointed financial advisor for restructuring of existing loans and for raising additional working capital loans. The source of current liquidity crunch faced by STC is not structural deficiency but the problem on account of some transactions which we are trying to resolve. Therefore, the Company has approached its lenders for an appropriate resolution plan with the objective to meet the operations of the company viable and sustainable. The Company is engaged with the lenders for resolution plans.

Revival restructuring plan for 2018-19 includes:

1. The company has taken up the matter with Govt. for issuance of letter of Comfort for an amount of Rs. 500 crore. The funds raised against LOC would be used for executing perpetual Lease deed of office complex Jawahar Vyapar Bhawan (JVB). After executing perpetual Lease deed, there would be substantial increase in value of the property. The company then proposes to raise additional funds against the properties. The adequate support of Ministry of Commerce, Govt. of India, establishes our faith as a going concern entity.

2. Substantial amount is expected to be recovered from various associates in the coming years.

3. The company has undertaken various cost reduction measures to improve the liquidity /profitability such as closure of unviable branches, undertaking trade in those commodities fetching higher trade margins etc.

In view of steps undertaken from Sr. No. 1 to 3 above, it is believed that we shall be in a position to confidently sail as a going concern.

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

a. Accounts have been prepared on going concern basis.

b. The company continues to account for deferred tax assets, which will be available for set off against future profits in view of anticipated business opportunities and improved availability of working capital, and

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

7) L&DO allotted a plot of land measuring 2.599 acres for constructing of office building vide lease agreement signed on 15.12.1975. In order to execute the perpetual lease, matter has been taken up with L&DO who has indicated an expenditure of Rs 132.83crore on various account for facilitating execution of perpetual lease. The demand raised by L&DO is not acceptable to STC and is being disputed in view of verification of actual facts. The actual liability is therefore not ascertainable at present. Hence no provision was considered necessary.

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8) The subsidiary namely STCL Limited had appointed M/s ICRA Management Consultant Services to prepare a turn-around Plan for the Company in view of its weak financial position. Based on the Report submitted by the Consultant, the Board of Directors of the 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 STCL Limited. Accordingly the subsidiary company has filed winding up petition dated 26.11.2013 before Hon'ble High Court Karnataka which is pending for disposal. The Subsidiary company has offered VSS to the regular employees in September 2013. Out of 51 employees, the present strength of employees is 11 only. Ind AS compliant results of STCL are not available, hence consolidated results are not published.

9) Holding company(The State Trading Corporation of India Limited) has not given any guarantee for the credit facility availed by the subsidiary company STCL Limited.

10) As a matter of accounting prudence, Deferred Tax Assets for the year ended 31.03.2018 have not been recognized.


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


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

  
(Pankaj Jain)  
Partner  
M. No. 097279



By order of the Board of Directors

  
(Rajiv Chopra)  
Director (Marketing)  
with additional charge of CMD

  
(S K Singhal)  
GM-F & CFO

  
B R Dhawan  
CGM-Finance

  
(Kamlesh Kumari)  
Company Secretary  
ACS -24616

Place: New Delhi  
Date: 28.05.2018

**THE STATE TRADING CORPORATION OF INDIA LTD.**  
**Statement of Standalone Financial Results for the Quarter & Year ended March 31, 2018**  
**(Ind AS COMPLIED)**

CIN: L74899DL1956GOI002674

**Annexure -II**  
(Rs. crore)

S.NO	PARTICULARS	Quarter ended	Quarter ended	Year Ended	Year Ended
		31.03.2018 (Unaudited)	31.03.2017 (Unaudited)	31.03.2018 (Audited)	31.03.2017 (Audited)
1	Total income from operations	2,078.58	2,825.73	10,865.71	7,814.49
2	Net Profit /(Loss) for the period (before tax, exceptional and/or Extraordinary items)	(15.65)	2.07	3.02	(5.95)
3	Net Profit /(Loss) for the period before tax (after Exceptional and/or Extraordinary items)	(7.00)	23.58	32.25	(149.81)
4	Net Profit /(Loss) for the period after tax (after Exceptional and/or Extraordinary items)	(1.95)	8.11	37.52	(165.82)
5	Total comprehensive income for the period [comprising Profit/ (Loss) for the period (after Tax) and other comprehensive income (after tax)]	1.14	10.24	40.67	(163.64)
6	Equity Share Capital	60.00	60.00	60.00	60.00
7	Reserves (excluding Revaluation Reserve) as shown in the Audited Balance sheet of the previous year			(13.79)	(54.45)
7	Earning per share (of Rs. 10/- each) (for continuing and discontinued operations) (not Annualized) :				
	(a) Basic (in Rupees)	0.19	1.71	6.78	(27.27)
	(b) Diluted (In Rupees)	0.19	1.71	6.78	(27.27)

**Notes:**

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All these have led to temporary financial crunch, operating losses, reduction of net worth. Due to non payment of Loan and interest on borrowings, banks have reported the company account as NPA. The company has appointed financial advisor for restructuring of existing loans and for raising additional working capital loans. The source of current liquidity crunch faced by STC is not structural deficiency but the problem on account of some transactions which we are trying to resolve. Therefore, the Company has approached its lenders for an appropriate resolution plan with the objective to meet the operations of the company viable and sustainable. The Company is engaged with the lenders for resolution plans.

Revival restructuring plan for 2018-19 includes:

1. The company has taken up the matter with Govt. for issuance of letter of Comfort for an amount of Rs. 500 crore. The funds raised against LOC would be used for executing perpetual Lease deed of office complex Jawahar Vyapar Bhawan (JVB). After executing perpetual Lease deed, there would be substantial increase in value of the property. The company then proposes to raise additional funds against the properties. The adequate support of Ministry of Commerce, Govt. of India, establishes our faith as a going concern entity.

2. Substantial amount is expected to be recovered from various associates in the coming years.

3. The company has undertaken various cost reduction measures to improve the liquidity /profitability such as closure of unviable branches, undertaking trade in those commodities fetching higher trade margins etc.

In view of steps undertaken from Sr. No. 1 to 3 above, it is believed that we shall be in a position to confidently sail as a going concern.

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

a. Accounts have been prepared on going concern basis.

b. The company continues to account for deferred tax assets, which will be available for set off against future profits in view of anticipated business opportunities and improved availability of working capital, and

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

7) L&DO allotted a plot of land measuring 2.599 acres for constructing of office building vide lease agreement signed on 15.12.1975. In order to execute the perpetual lease, matter has been taken up with L&DO who has indicated an expenditure of Rs 132.83crore on various account for facilitating execution of perpetual lease. The demand raised by L&DO is not acceptable to STC and is being disputed in view of verification of actual facts. The actual liability is therefore not ascertainable at present. Hence no provision was considered necessary.

8) The subsidiary namely STCL Limited had appointed M/s ICRA Management Consultant Services to prepare a turn-around Plan for the Company in view of its weak financial position. Based on the Report submitted by the Consultant, the Board of Directors of the 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 STCL Limited. Accordingly the subsidiary company has filed winding up petition dated 26.11.2013 before Hon'ble High Court Karnataka which is pending for disposal. The Subsidiary company has offered VSS to the regular employees in September 2013. Out of 51 employees, the present strength of employees is 11 only. Ind AS compliant results of STCL are not available, hence consolidated results are not published.


9) Holding company(The State Trading Corporation of India Limited) has not given any guarantee for the credit facility availed by the subsidiary company STCL Limited.

10) As a matter of accounting prudence, Deferred Tax Assets for the year ended 31.03.2018 have not been recognized.


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

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

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

  
S K Singhal  
GM-F & CFO

  
B R Dhawan  
CGM-Finance

  
(Kamlesh Kumari)  
Company Secretary  
ACS -24616

By order of the Board of Directors

Place: New Delhi  
Date: 28.05.2018



**Auditors' Report On Annual Standalone Financial Results of The State Trading Corporation of India Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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

- 1) We have audited the accompanying annual Standalone Financial Results of The State Trading Corporation of India Limited ("the Company") for the year ended 31st March, 2018, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular no. CIR/CFD/FAC/62/2016 dated 5th July, 2016. These Financial Results have been prepared on the basis of the annual audited Ind-AS financial statements and reviewed quarterly financial results upto the end of third quarter which are the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to express an opinion on these Financial Results, based on our audit of such Financial Statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (Ind-AS) specified under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules made there under and other accounting principles generally accepted in India and in compliance with requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2) We conducted our audit in accordance with the auditing standards issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Results are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the Financial Results. An audit also includes assessing the accounting principles used and significant estimates made by the management. We believe that our audit provides a reasonable basis for our opinion.
- 3) We did not audit the financial statements/information of eight branches included in the standalone Ind AS financial statements of the Company whose financial statements/financial information reflect total assets of Rs. 1247.91 crores as at 31st March, 2018 and total revenues of Rs.7741.43 crores for the year ended on that date, as considered in the standalone Ind AS financial statements. The financial statements/information of these branches have been audited by the branch auditors whose report have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the reports of such branch auditors.
- 4) **Basis for Qualified Opinion**
  - (i) Reference is invited to Note no. 4 and 5, Trade receivable includes Rs. 2076.70 crore (previous year Rs. 1904.24 crores) and other income includes interest of Rs. 259.47 crore (previous year Rs. 231.93) booked during the current year on over dues from one of the business associates on account of goods supplied in earlier years. The dues are stated to be secured by EMD of Rs. 29.73 crore and personal guarantee of chairman of its holding company. Consequent upon Conciliation Agreement dated 15.11.2011 and further settlement agreement dated 17.05.2012 the entire dues were payable to the company by 10.11.2012. During the year, the Business Associate remitted an amount of Rs. 100 crore (previous year Rs. 70.18 crore) on the directions of Hon'ble Supreme Court. Considering the poor recovery, non-availability of security, dispute by party with respect to interest charged, and age of outstanding dues, interest income should not be recognized as per concept of prudence.



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Considering the overall circumstances surrounding the recoverability of outstanding dues of Rs. 2076.70 crores, we are not in a position to ascertain whether the amount is fully recoverable or not. We are informed by the management that petition for execution of decree as per Conciliation Agreements under the Arbitration and Conciliation Act, 1996 has been filed before the Hon'ble Supreme Court wherein it has been held that decree is final. The party has submitted payment proposal before the Hon'ble Apex Court which is still subjudice before the Hon'ble Apex Court. Cases U/s 138 of Negotiable Instruments Act are also filed by the company before the Hon'ble High Court Delhi. The Enforcement Directorate and CBI are also investigating into the matter about cheating and fraud done by the party. We have also been provided affirmative Board Resolution dt. 14.02.2017 and outcome dt. 30.05.2017 that all possible efforts are extended for recovery of the dues through legal process and company is assured of recovering the dues.

- (ii) With respect to contingent assets disclosed, the management has not provided any substantive evidence in support of probability of recovery, hence we are not in a position to form an opinion thereon.
- (iii) Reference is invited to Note 7, the company has not made provision of Rs. 132.83 crores being the amount payable to L&DO for execution of lease deed of company's one of the property, hence to that extent provision for impairment of fixed assets is short made.
- (iv) As regard provision of Rs. 3.58 crore made against Rs. 10.53 crore recoverable from one of the business associate, the management has considered Rs. 6.13 crore towards value of immovable property provided as security. Since the company is not able to sale the property inspite of various auctions, hence in our opinion till realization of such security, its value should not be considered for ascertainment of provision for doubtful debts. Had the company made the provision of said amount , net profit of current year would have been lower by Rs. 5.77 crore, retained earning and trade receivable (current assets) would have been lower by Rs. 5.77 crore.
- (v) Mumbai branch auditor has reported that debit balances appearing in Bhopal branch pertaining to security deposit and loans & advances of Rs. 0.19 crore has not been written off pending approval from competent authority. Had the company written off these balances, net profit of current year would have been lower by Rs. 0.19 crore, retained earning and deposits and loans & advances would have been lower by Rs. 0.19 crore.

The cumulative effect of above observations (i), (iii), (iv) & (v) is that net profit of current year would have been net loss of Rs. 357.59 crore, retained earning and assets would be lower by Rs. 398.26 crore and Rs. 265.43 crore respectively and claims payable would have been higher by Rs. 132.83 crore.

#### 5) **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us and except for the matters described in the Basis for Qualified Opinion paragraph referred above, these Financial Results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and



Contd.....

- (ii) give a true and fair view of the net profit, total comprehensive income and other financial information for the year ended 31st March, 2018.

Place : New Delhi  
Date : 28<sup>th</sup> May, 2018



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

  
(Pankaj Jain)  
Partner  
M. No. 097279