



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

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

September 06, 2022

Manager - Listing Compliance Department National Stock Exchange of India Limited Exchange Plaza, Bandra - Kurla Complex, Bandra (East), Mumbai - 400051 Scrip Code : STCINDIA - EQ	Manager - Listing Compliance Department BSE Limited 1 <sup>st</sup> Floor, P.J. Towers, Dalal Street Mumbai - 400001 Scrip Code : 512531
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**Sub: Annual Report for the Financial Year 2021-22**

**Dear Sir/Madam,**

Please find attached herewith a copy of the Annual Report and the Notice of the 66<sup>th</sup> Annual General Meeting, scheduled to be held on Friday, the 30<sup>th</sup> September, 2022 at 11:00 A.M., as required under Regulation 34(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Annual Report and Notice of AGM is also available on Company's website at [www.stclimited.co.in](http://www.stclimited.co.in).

Please take note of the above information.

Thanking you,

Yours sincerely,

For The State Trading Corporation of India Limited

  
(Vipin Tripathi)

Company Secretary & Compliance Officer



**ANNUAL REPORT  
2021-22**





**THE STATE TRADING CORPORATION OF INDIA LIMITED  
REGISTERED & CORPORATE OFFICE**

(CIN: L74899DL1956GOI002674)

Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-110001

Tel.: #011-23313177, Fax #011-23701123, 23701191

Email: co@stclimited.co.in Website: www.stclimited.co.in

**BOARD OF DIRECTORS**

**CMD AND FUNCTIONAL DIRECTORS**

Shri Sanjeev Kumar Sharma, Director (Personnel) [Addl. Charge of CMD] (upto 31.01.2022)

Shri Kapil Kumar Gupta, Director (Finance), MMTC with Addl. Charge of STC (from 03.06.2020)

Shri N.A.N. Jeyakumar, Director (Marketing) (upto 30.04.2022)

**PART-TIME OFFICIAL DIRECTORS**

**(GOVERNMENT NOMINEES)**

Shri Shashank Priya, Special Secretary & Financial Advisor, DoC

Shri Shyamal Mishra, Joint Secretary, DoC (upto 07.12.2021)

Shri Vipul Bansal, Joint Secretary, DoC (from 22.12.2021)

**PART-TIME NON-OFFICIAL DIRECTORS**

**(INDEPENDENT DIRECTORS)**

Shri Satish Kumar Chawla (from 30.11.2021)

Shri Divakar Shetty Kaup (from 30.11.2021)

Dr. Rohini Sanjay Kachole (from 01.12.2021)

Dr. Bhim Singh (from 01.12.2021)

Shri Manjeet Kumar Razdan (from 02.12.2021)

Dr. Vivek Atul Bhuskute (from 02.12.2021)

Shri Ashok Kumar Aseri (from 03.12.2021)

Shri Naresh Dhanrajbhai Kella (from 30.03.2022)

**CHIEF FINANCIAL OFFICER**

Shri Ashok Kumar Swain, DGM-Finance (upto 11.02.2022)

Shri B.S.Rao, Chief Manager-Finance (from 12.02.2022)

**COMPANY SECRETARY**

Shri Vipin Tripathi

**REGISTRAR & SHARE TRANSFER AGENT**

M/s. MCS Shares Transfer Agent Limited F-65,

1st Floor, Okhla Industrial Area, Phase-I, New Delhi 110020

Tel: 011-41406150 E-mail: admin@mcsregistrars.com

**STATUTORY AUDITORS**

M/s. Bhatia & Bhatia

Chartered Accountants

81-Hemkund Colony

Levels-I&II, Opp Nehru Place

New Delhi-110048

**BANKERS**

State Bank of India

Bank of India

Indian Overseas Bank

UCO Bank

HDFC Bank

Exim Bank

IDBI Bank

Bank of Baroda

Canara Bank

Indian Bank

Union Bank of India

Indusind Bank

**SECRETARIAL AUDITORS**

M/s. VAP & Associates,

Company Secretaries,

387. 1st Floor,

Shakti Khand, Indirapuram

Ghaziabad-201010



# CONTENTS

1	Board's Report 2021-22 along with the following Annexures:		5-10
	I	Management Discussions & Analysis Report	11-12
	II	Business Responsibility Report	13-19
	III	Annual Report on CSR Activities	20-22
	IV	Report on Corporate Governance	23-42
	V	Compliance Certificate on Corporate Governance	43-44
	VI	Secretarial Auditors' Report	44-50
2.	Highlights: Ten Years at a Glance		51
3.	Standalone Financial Results		53
	•	Independent Auditors' Report	54-73
	•	Accounts for the year 2021-22	74-134
	•	Management's Replies to Statutory Auditor's Report	135-148
	•	CAG Comments	149-150
4.	Statement Pursuant to Section 129(3) of the Companies Act., 2013 related to subsidiary Company and Joint Ventures		151
5.	Consolidated Financial Results		152
	•	Independent Auditors' Report	153-164
	•	Accounts for the year 2021-22	165-225
	•	Management's Replies to Statutory Auditor's Report	226-233
	•	CAG Comments	234-236
6.	Green Initiative in Corporate Governance: Go Paperless		237-239

## BOARD'S REPORT

The Board of Directors presents the 66<sup>th</sup> Annual Report of the Company and its Audited Statement of Accounts for the year ended March 31, 2022 together with the Auditors' Report and Comments on the Accounts by the Comptroller and Auditor General (CAG) of India.

### FINANCIAL RESULTS

The performance of the Company during the year 2021-22 vis-à-vis the previous year is summarized in the table below:

(₹ Crore)

	2021-22	2020-21
<b>TURNOVER</b>	-	247
<b>FINANCIALS</b>		
<b>Income</b>		
Trading Profit	-	4.84
Other Income	77.36	62.32
<b>Profits</b>		
Profit Before Tax	(49)	(51)
Profit After Tax	(94)	(51)
Net Worth	(1082)	(994)

### OPERATIONS AND BUSINESS PERFORMANCE

In pursuance of the direction of Ministry of Commerce & Industry (MOC&I) and approval of the Board of Directors, the Company is continuing as a 'non-operative' company for the time being and no business activities were undertaken by the Company during the year 2021-22. As a result, Company's turnover during the year 2021-22 was NIL as against ₹247 crore during the year 2020-21. However, the Company continued monitoring of counter trade obligation as per directions from the Govt. Also, the accounts of the Company for the financial year 2021-22 have been published on 'non-going concern basis' in compliance of the Board's direction.

In view of stoppage of business activities, the Company focussed on other avenues of generating income. Accordingly, vigorous efforts were made to enhance rental income by renting-out available surplus office space to meet the running expenses of the Company. As a result, the Company was able to earn increased rental income of ₹64.95 crore (approx.) during the year 2021-22 as compared to ₹44.58 crore (approx.) in the previous year.

The Company reported a net loss (after tax) of ₹93.97 crore during 2021-22 as against net loss (after tax) of ₹51.23 crore reported during the previous year i.e. 2020-21. The net loss during the year 2021-22 was mainly due to provisions of ₹85.42 crore (approx.) made in the books of accounts towards dues payable to L&DO.

### SETTLEMENT OF OUTSTANDING DUES WITH THE BANKS

The Company continued to follow-up with the lender banks for expediting finalisation of One Time

Settlement (OTS) for settling their remaining dues in line with the decision taken during the high level meeting held on 29.08.2019 regarding One Time Settlement of dues of STC with the Banks. As per decision, the balance dues of banks is to be settled by way of transfer of identified properties worth ₹300 crore (approx.) on as is where is basis to the banks, as full and final settlement. However, the acceptance recently received from lender banks on the Draft Memorandum of One Time Settlement (MOTS) submitted by STC to them for this purpose is not in-line with the decision taken during the meeting held on 29.08.2019. The matter is being informed to the Administrative Ministry for further directions.

### DIVIDEND

During the year 2021-22, the Company continued to pass through difficult financial phase as STC's account continues to remain NPA. Further, no business activities were undertaken during the year 2021-22 and the Company reported a net loss of ₹93.97 crore. The Company had a negative net worth of ₹1082.17 crore approx. (excluding revaluation reserves) as on 31.03.2022. As a result, the accumulated losses of STC have increased to ₹1209.54 crore as on 31.03.2022, therefore the Board of Directors of the Company have not recommended any dividend for the year 2021-22.

### RESERVES (OTHER EQUITY)

An amount of (-) ₹169.20 Crore (including revaluation reserve of ₹884.60 Crore) was available in the other equity of the company as on 01.04.2021. An amount of (-) ₹88.37 Crore (PAT: (-) ₹93.97 Crore and other comprehensive income ₹5.59 Crore) has been transferred to retained earnings. Accordingly, as on 31<sup>st</sup> March, 2022, the other equity stood at (-) ₹257.57 Crore.

### HUMAN RESOURCE

#### Manpower

STC had 165 employees on its rolls as on 31.03.2022, which included 99 managers and 66 staff. During the year 2021-22, 37 employees separated from the Company due to VRS/ Superannuation/Resignation/ Death/CRS.

#### Recruitments

The Board of Directors of the Company, in its meeting held on 30.05.2017, had put on hold fresh recruitment at induction/lateral levels till further order except selection/recruitment of any mandatory or unavoidable vacant post to be done with the prior approval of the Board. Further, as per direction of the Ministry of Commerce & Industry the existing manpower is to be reduced to zero level by introducing VRS/VSS. Accordingly, the Company did not make any recruitment during the year 2021-22.

#### Industrial Relations

During the year 2021-22, the company continued to maintain harmonious industrial relations. No man days were lost.

### **Recruitment of SC/ST/OBC/PWD**

The Company has been implementing the Government of India's directives and guidelines for SC/ST/OBC/PWD issued from time to time with regard to recruitment of SC/ST/OBC and differently abled candidates.

### **Human Resource Development**

During the year 2021-22, due to precarious financial position of the company, no budget was allocated for Training and Development of employees.

### **OFFICIAL LANGUAGE**

The Company continues to comply with the Official Language Policy of the Government of India and the guidelines issued by the Government of India. Accordingly, continuous efforts are made in the direction of implementation of official language Hindi in the Corporation. Further, necessary trainings are imparted to the employees of the Corporation on various aspects related to official language Hindi through Hindi workshops from time to time.

'Rajbhasha Pakhwada' was organized in September 2021 in the Corporation, under which various competitions were conducted and the winners were awarded prizes.

### **VIGILANCE ACTIVITIES**

During the year 2021-22, continuous efforts were made for timely completion of investigations and Departmental Inquiry proceedings. Further, the systemic deficiency noticed during the preliminary enquires/investigations were highlighted in the reports submitted to the Management for consideration with the recommendation to take further action for systemic improvement.

A brief note on routine vigilance activities bringing out important areas requiring attention of the Management was submitted to the Board of Directors on half yearly basis. The status of complaints filed by STC with CBI, in trade transactions undertaken by Company with various associates, was reported to Board.

The Corporation observed Vigilance Awareness Week (VAW) 2021 from 26.10.2021 to 01.11.2021 on the theme "Independent India@75:Self Reliance with Integrity" at Corporate Office, Agra Branch & Representative Offices. During VAW 2021, various in-house activities were undertaken such as essay competition on the topic "Preventive Vigilance - a key to good governance, online lecture/workshop on "Complaints under PIDPI Resolution" and Quiz Competition on the topics related to Vigilance/CDA Rules/RTI/GK etc. besides placing the banners at prime locations of STC premises. The posters with regard to "Complaints under PIDPI (Public Interest Disclosure and Protection of Informers) were also displayed at prominent locations in the premises of STC.

During the year 2021-22, Vigilance clearances was given to 77 employees for various purposes such as VRS, Superannuation, Foreign visit, applying for jobs outside the Corporation etc. Total 33 Annual Property Returns were scrutinized during the year.

No complaint was received during the year. However, in one administrative matter, Factual Report was sent to Department of Commerce, MoC&I. Further, 02 disciplinary proceedings have been finalized/disposed-off during the year. Action on remaining 06 disciplinary proceedings is in progress as on 31.03.2022.

### **PERFORMANCE OF SUBSIDIARY COMPANY**

STCL Limited (Formerly, Spices Trading Company Limited).

In view of extraordinary losses suffered by STCL leading to erosion of its net worth and remote possibility of its turnaround, the Union Cabinet had, in August 2013, decided to wind up STCL. Accordingly, a winding up petition was filed by STCL before the Hon'ble High Court of Karnataka and the same continues to be pending due to objections raised by Banks and 9 employees.

At present, STCL has 9 employees. No business operations were undertaken by STCL during the year. STCL has a negative net worth. Further, the posts of Chairman, STCL and MD, STCL are lying vacant and appointment is yet to be made by the Government against these posts. STCL's Board was incomplete for holding the Board Meeting and therefore its accounts for the year ended 31.03.2022 were not approved by its Board.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

As per the requirement of Regulation 34(2) (e) and Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, a detailed Management Discussion and Analysis Report forming part of the Annual Report of the Company is placed at **Annexure-I**.

### **BUSINESS RESPONSIBILITY REPORT (BRR)**

As per the requirement of Clause 34(2) (f) of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 for top thousand listed Companies in terms of market capitalisation, a detailed Business Responsibility Report (BRR) forming part of the Annual Report of the Company for the year 2021-22 is placed at **Annexure-II**.

### **ANNUAL RETURN**

Pursuant to Section 92(3) of the Companies Act 2013, a copy of the Annual Return is available on the website of the Company: [www.stclimited.co.in](http://www.stclimited.co.in).

### **ANTI SEXUAL HARASSMENT POLICY**

The Company has laid down an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received in this regard. All employees (permanent, contractual, temporary, trainees) are covered under this policy. One complaint of Sexual Harassment was received in the Company during the year 2021-22 on which the enquiry was going on as on 31.03.2022.

## **RIGHT TO INFORMATION**

In order to promote transparency and accountability, an appropriate mechanism has been put in place in the Company to provide information to citizens under the provisions of Right to Information (RTI) Act, 2005. For this purpose, the Company has, in line with the RTI Act, nominated Central Public Information Officers at all its Divisions at New Delhi and at Branch/Representative Offices across the country. For the convenience of public, a coordinating CPIO has also been nominated. First Appellate Authorities have also been nominated for considering the appeals of information seekers against the orders of Public Information Officers.

## **DEPOSITS**

The Company did not accept any public deposits during the year under review. Therefore, the requirements of Chapter V of the Companies Act, 2013 are not applicable to it.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

During the year 2021-22, the Company did not provide/give any loans, guarantees or made any investment as specified under section 186 of the Companies Act, 2013.

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

The Company did not enter into any contracts or arrangements with related parties as referred to in sub-section (1) of section 188 of the Companies Act, 2013, during the year under review as STC is not undertaking any business activity and continuing as a non-operative Company for the time being.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY**

As per Section 135 of the Companies Act, 2013, the Company was not mandated to allocate CSR budget for the year 2021-22 due to average net loss of last three preceding financial years. Thus, no CSR activities were undertaken during the year 2021-22.

An annual report on Company's CSR activities in prescribed format as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 is placed at **Annexure-III**.

## **PUBLIC PROCUREMENT POLICY**

During the year 2021-22, the Company made procurement worth ₹ 2.04 crore from MSEs, which accounted for 43.68 percent of the total value of annual procurement made by STC of goods produced and services being rendered by MSEs as against 25 percent target specified in the guidelines for procurement from MSE. Out of this, procurement from women entrepreneurs was ₹0.40 crore i.e. 19.61 percent as against a sub-target of 3 percent. The procurement from SC/ST entrepreneurs during the year 2021-22 was Nil as against a sub-target of 4% and the same was either due to no participation by SC/ST entrepreneurs in the tender process or no SC/ST entrepreneurs being declared successful in the procurement tender process. The Company is

following applicable procurement guidelines including procurement from GeM.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ETC.**

The information required to be disclosed in accordance with the Companies (Accounts) Rules, 2015 is 'nil' as the Company is mainly engaged in trading activities.

## **FINANCIAL ACCOUNTING**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, comply in all material aspects with the relevant provisions of the Companies Act, 2013 and other accounting principles generally accepted in India.

The Board, in its 639<sup>th</sup> adjourned meeting held on 05.04.2021, decided to continue STC as a non-operative company for the time being and that the accounts of the Company shall be prepared on non-going concern basis from the financial year 2021-22 onwards. Subsequently, the Board of Directors in its meeting held on 03.08.2021, approved new accounting policy. Accordingly, STC's accounts for the year ended 31.03.2022 were published on non-going concern basis.

Further, the financial statements have been prepared under the historical cost convention on accrual basis except certain financial assets and liabilities which are measured at fair value of amortized cost at the end of each financial year. Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses and actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a nongoing basis. Revisions to accounting estimates wherever necessary are recognized prospectively.

## **INTERNAL FINANCIAL CONTROLS**

The Company is not carrying out any business activity and the manpower of STC has also been reduced significantly due to implementation of VRS in pursuance of the directions of Administrative Ministry. Further, the posts of CMD, STC and Functional Directors except Director (Fin.) (Additional Charge) are vacant at present due to which difficulties are being faced by the Company in completing various administrative tasks/functional requirements. The appointment of Internal Auditors for FY 2021-22 was delayed due to which submission of Internal Auditors Report was delayed. Further, Management Audit Committee Meetings could not be conducted during the year 2021-22.

## **NUMBER OF MEETINGS OF THE BOARD**

During FY 2021-22, seven (7) meetings of the Board of Directors were held including one adjourned meeting. The meetings were mostly held through video-conferencing mode considering the pandemic and COVID appropriate behaviour.



## **DECLARATIONS GIVEN BY INDEPENDENT DIRECTOR**

All the Part-time Non-Official Directors (Independent Directors) on the Board of STC have affirmed that they meet the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ending 31.03.2022.

## **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION ETC.**

STC being a Government company, all members of the Board are appointed by the President of India through Administrative Ministry i.e. the Ministry of Commerce & Industry, Government of India, which, inter-alia, fixes the remuneration through their appointment orders/pay fixation orders.

The non-executive part-time official Directors (Government nominees) are not entitled to any remuneration or sitting fees. The part-time non-official (Independent) Directors are paid sitting fee for each Board / Committee meetings attended by them as approved by the Board from time to time as per the limits laid down in Companies Act, 2013 and the related rules.

The eligibility criterion for appointment of Independent Directors is laid down by the Department of Public Enterprises, Government of India which is as per the relevant provisions of Companies Act and the SEBI Regulations. The positive attributes expected to be exhibited by the Independent Directors are conveyed to them on their appointment and a declaration in the prescribed format is obtained from them every year to confirm that they continue to qualify as Independent Directors.

## **ANNUAL EVALUATION OF THE PERFORMANCE OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

Ministry of Corporate Affairs vide its notification No. GSR 463(E) dated June 5, 2015 has exempted Government Companies from certain provisions of the Companies Act, 2013, which include, inter-alia, sub section (6) of Section 149, subsections (2), (3) & (4) of Section 178 regarding appointment, performance evaluation and remuneration. As per the said notification, Section 134(3)(p) regarding performance evaluation of directors also shall not apply to Government Companies in case the directors are evaluated by the Ministry or department of the Central Government which is administratively in charge of the Company.

The appointment of Members on STC's Board is done by the Government of India through the Ministry of Commerce & Industry and the terms and conditions of appointment as well as tenure of all directors is also decided by the Government. Also, there is a procedure for evaluation of performance of Chairperson and Functional Directors by the Administrative Ministry.

## **RISK MANAGEMENT POLICY**

During the year 2021-22, a Risk Management Framework continued to be in place in the Company to add objectivity to the process of risk assessment while taking a decision on accepting or rejecting a trade proposal. The Risk Management Framework measures the risk involved in a business proposal in the form of a total risk score which is weighed vis-à-vis available risk mitigation measures.

However, STC has not undertaken any business activity during the year 2021-22 and is operating as a non-operative Company for the time being in pursuance of the directions of Administrative Ministry /Board. Further, accounts of the Company for the year 2021-22 were published on non-going concern basis in pursuance of Board direction.

Further, an Anti-Fraud Policy has been implemented in STC in order to enforce controls and to aid in prevention and detection of frauds in the Company. The Policy intends to promote consistent legal and ethical organizational behaviour by assigning responsibility for the development of controls, and providing guidelines for reporting and conduct of investigations of suspected fraudulent behaviour.

## **HEDGING**

The Company did not take any exposure in volatile commodities/market condition. During the year, guidelines were in place requiring forward foreign exchange cover to be taken in respect of transactions involving STC funds. However, no such transactions were undertaken by the Company.

## **CORPORATE GOVERNANCE**

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidelines on Corporate Governance for CPSEs issued by the Department of Public Enterprises (DPE), Govt of India, a Report on Corporate Governance for the year 2021-22 forming part of this report is placed at **Annexure-IV**.

The Company has complied with the conditions of Corporate Governance as stipulated in the above referred Regulations and DPE guidelines on Corporate Governance for CPSEs. Compliance certificate from the practising Company Secretary in this regard, forming part of this Report, is placed at **Annexure -V**.

The Company has got its Secretarial Audit for the financial year ended 31<sup>st</sup> March, 2022 conducted by M/s VAP & Associates, Practising Company Secretaries and their report along with Management replies to the observations made by the Secretarial Auditors, forming a part of this Annual Report is placed at **Annexure-VI**.

Your Company has made available all information of interest to its investors on the Company's website, namely, [www.stclimited.co.in](http://www.stclimited.co.in)

The Company has also put in place various policies such as:

- Whistle Blower Policy
- Web Archival Policy
- Policy on Preservation of Documents
- Policy on Materiality of Related Party Transactions and dealings with Related Party Transactions
- Code of Conduct regarding prohibition of Insider Trading and Code of Fair Disclosure and Conduct
- Policy for determination of materiality of events and information and their disclosures.
- Policy for determining material subsidiaries.

The above policies are also available on STC's website.

During the year 2021-22, a separate Meeting of the Independent Directors was held on 16.03.2022 at the Registered Office of the Company.

### **COST RECORDS**

The Central Government has not prescribed the maintenance of cost records for the Company under Section 148(1) of the Companies Act, 2013.

### **STATUTORY AUDITORS**

M/s Bhatia & Bhatia, Chartered Accountants were appointed as Statutory Auditors of the company for the FY 2021-22 by Comptroller & Auditor General of India (C&AG). Their report, along with replies of management is attached and form part of this report.

### **COMMENTS OF C&AG**

The comments of C&AG under Section 143(6) of the Companies Act, 2013, on the accounts of the Company for the year 2021-22 and replies of the management thereto are attached and form part of this report.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

At present, STC is not carrying out any business activity and is continuing as a non-operative Company for the time being. Further, the positions of CMD, STC and other Functional Directors except Director (Fin.) (Additional Charge) are lying vacant. Administrative Ministry has been requested from time to time to fill-up the vacant positions and appointment is yet to be made by the Administrative Ministry against these vacant positions. The accounts of STC for the year 2021-22 were published on non-going concern basis. Therefore, no specific Directors' responsibility statement can be mentioned in the report.

Auditors/CAG comments on annual accounts of STC for the year 2021-22 form part of the annual accounts and are available in this report.

### **BOARD OF DIRECTORS**

#### **Appointment**

Since the last Annual General Meeting (AGM) held on 24<sup>th</sup> November 2021, the following changes have taken place in the Board of Directors of the Company:

1. Ministry of Commerce & Industry, Department of Commerce (DoC) vide its Office Order no 11/9/2011 - FT (M&O) dated 5<sup>th</sup> November, 2021

appointed Shri Satish Kumar Chawla & Shri Manjeet Razdan, as Non-Official Independent Directors (Additional) of the Company. Further as per the provisions of Companies Act, 2013 they have been appointed as Additional Directors on the Board of STC w.e.f. 30.11.2021 and 02.12.2021 respectively.

2. Ministry of Commerce & Industry, Department of Commerce (DoC) vide its Office Order no 11/9/2011 - FT (M&O) dated 10<sup>th</sup> November, 2021 appointed Dr. Bhim Singh, Dr. Rohini Sanjay Kachole, Dr. Vivek Atul Bhuskute, Shri Ashok Aseri and Shri Divakara Shetty Kaup as Non-Official Independent Directors (Additional) of the Company. Further as per the provisions of Companies Act, 2013 they have been appointed as Additional Directors on the Board of STC w.e.f. 01.12.2021, 01.12.2021, 02.12.2021, 03.12.2021 and 30.11.2021 respectively.
3. Ministry of Commerce & Industry, Department of Commerce (DoC) vide its Office order no. 11/36/2001-FT(M&O) dated 17.12.2021 appointed Shri Vipul Bansal, Joint Secretary as Part time Official Director (Government Nominee Director) on the Board of STC w.e.f. 22.12.2021. Further as per the provisions of Companies Act, 2013 he has been appointed as Additional Director on the Board of STC w.e.f. 22.12.2021.
4. Ministry of Commerce & Industry, Department of Commerce (DoC) vide its Office Order no K-25014/3/2019-FT (ST) dated 25.03.2022 appointed Shri Naresh Dhanrajbhai Kella as Non-Official Independent Directors (Additional) of the Company. Further as per the provisions of Companies Act, 2013 he has been appointed as Additional Director on the Board of STC w.e.f. 30.03.2022.

The Board welcomes all the newly appointed Directors and hopes that the Company shall immensely benefit from their rich and varied experience.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Sh. Shashank Priya, Government Nominee Director would retire by rotation at the ensuing Annual General Meeting and being eligible, have offered himself for re-appointment.

As per Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a brief resume of all Directors seeking appointment /re-appointment are given in the notice convening the 66<sup>th</sup> Annual General Meeting of the Company.

#### **Cessation**

1. Shri Shyamal Misra, Joint Secretary(DoC), Part-time Official Director (Government Nominee ) ceased to be a Director on the Board of STC as per Office Order No. 11/36/2001-FT(M&O) dated 17.12.2021 of Department of Commerce, Ministry of Commerce and Industry.
2. On attaining the age of superannuation, Shri S.K Sharma , Director (Personnel) with additional

charge of CMD, ceased to be a Director on the Board of STC w.e.f. 31.01.2022 as per Office Order no.A-12022/17/ 2013-E.IV dated 31.01.2022 of Department of Commerce, Ministry of Commerce and Industry.

3. On attaining the age of superannuation, Shri N.A.N. Jeyakumar, Director (Marketing) ceased to be a Director on the Board of STC w.e.f. 30.04.2022 as per Office Order no. Office order no.A-12022/13/2018-E.IV dated 29.04.2022 of Department of Commerce, Ministry of Commerce and Industry.

The Board appreciates the valuable guidance and contributions made by Shri Shyamal Misra, Shri S.K Sharma and Shri N.A.N. Jeyakumar during their tenure as Members of the Board.

#### **KEY MANAGEMENT PERSONNEL**

The Company has nominated its CMD, all Directors, Company Secretary and CFO as Key Management Personnel (KMP) pursuant to Section 203 of the Companies Act, 2013. Details regarding appointments of Functional Directors are given elsewhere in this report. No Functional Director resigned during the year. Further Board of Director in its meeting held on 03.03.2021, appointed Shri D.P. Mishra, Chief General Manager; Shri Brijesh Prasad, Joint General Manager(upto 31.10.2021); Shri Sanjeev Puri, Joint General Manager(upto 31.05.2021); Shri S,K. Meena, Joint General Manager & Shri Ashok Kumar Swain, Deputy General Manager(upto 11.02.2022) as the KMP's of the Company.

#### **COMMITTEES OF DIRECTORS**

Pursuant to the provisions of various Sections of the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has constituted various Committees of Directors like Audit Committee, Stakeholders Relationship Committee, CSR Committee and Nomination & Remuneration Committee. The composition of these committees and other details are mentioned in the Corporate Governance Report forming part of and annexed to the Board's Report.

#### **CODE OF CONDUCT**

Pursuant to the requirements of Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and DPE guidelines on Corporate Governance for CPSEs, the Board Members and Senior Management Personnel have affirmed compliance to the Code of Conduct for the financial year ending 31<sup>st</sup> March 2022.

#### **ACKNOWLEDGEMENT**

The Board of Directors places on record its appreciation of the continued patronage and the confidence posed by business associates and customers during the year.

The Board expresses its gratitude for the continued co-operation and support provided by the Ministry of Commerce & Industry, other Ministries and Departments of the Government of India, various state governments, financial institutions, banks, railways, ports, regulatory and statutory authorities, shareholders, legal advisers and consultants from time to time.

The Board also acknowledges the constructive suggestions received from Comptroller & Auditor General of India, Statutory Auditors and Internal Auditors.

Last but not the least, the Board places on records its appreciation for the hard work and dedication of all the employees.

For and on behalf of the Board of Directors

Sd/-  
**(Kapil Gupta)**  
Director-Finance  
(Additional Charge)  
DIN - 08751137

**Place : New Delhi**  
**Date : 10.08.2022**

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

(₹ Crore)

### STC's PERFORMANCE

During the year 2021-22, the Company continued as a non-operative company as no business activities were undertaken by STC in pursuance of the direction of Administrative Ministry and approval of the Board of Directors. As a result, Company's turnover during the year 2021-22 was NIL as against ₹247 crore during the year 2020-21. The performance of the company during the year 2021-22 vis-a-vis the previous year is summarized in the side table:

	2021-22	2020-21
<b>TURNOVER</b>	-	247
<b>FINANCIALS</b>		
<b>Income</b>		
Trading Profit	-	4.84
Other Income	77.36	62.32
<b>Profits</b>		
Profit Before Tax	(49)	(51)
Profit After Tax	(94)	(51)
Net Worth	(1082)	(994)

### DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS:

Details of significant changes in key financial ratios are given as under:

S.No.	Particulars	2021-22	2020-21	Variation (%)	Remarks
1	Debtors Turnover	-	0.23	(0.23)	Turnover was nil during the FY-2021-22
2	Inventory Turnover	-	-	-	Turnover was nil during the FY-2021-22
3	Interest Coverage Ratio	12.49	(17.32)	29.81	Increase in EBITDA due to increase in other income and reduction in expenses.
4	Current Ratio	0.60	0.32	0.28	Due to change in accounting policy.
5	Debt Equity Ratio	(12.63)	(22.59)	9.96	Debt/Equity, Debit include Total Liabilities other than Shareholder fund.
6	Operating Profit Margin (%)	-	(44.38)	44.38	Turnover was NIL during the FY2021-22.
7	Net Profit Margin	-	(19.33)	19.33	Turnover was NIL during the FY2021-22.
8	Return on Net Worth		N.A		Net worth was negative.

### SEGMENT-WISE PERFORMANCE & OUTLOOK

#### Exports, Imports and Domestic sales

The Company continued as a non-operative company for the time being and no business activities were undertaken during the year. The exports, imports and domestic sales of the Company during the year 2021-22 were Nil as compare to imports ₹12 crore and domestic sales ₹235 crore during the year 2020-21.

#### PROFITABILITY

During the year 2021-22, the Company reported a net loss (after tax) of ₹93.97 crore as against net loss (after tax) of ₹51.23 crore reported during the year 2020-21. The net loss reported during the year was mainly due to the provisions of ₹85.42 crore (approx.) made in the books of accounts towards dues payable to L&DO.

#### INTERNAL CONTROLS AND PROCEDURES

Statutory Audit, Audit by the CAG, regular and exhaustive internal audits are conducted through

professional agencies. The observations/recommendations made by the auditing agencies are reported to the Audit Committee of Directors along with a report on compliance of directions issued in the past. The quarterly financial statements as well as reports of the statutory auditors and Government audit party are reviewed by the Audit Committee of Directors before these are submitted to the Board of Directors.

The Company is not carrying out any business activity and the manpower of STC has also been reduced significantly due to implementation of VRS in pursuance of the directions of Administrative Ministry. Further, the posts of CMD, STC and Functional Directors except Director (Fin.) (Additional Charge) are vacant at present due to which difficulties are being faced by the Company in completing various requirements.

The Company has a full-fledged Vigilance Division to oversee that the guidelines of the Government and the rules/procedures of the company are strictly adhered to/ implemented in all matters. The

Vigilance Division also conducts inspection of Divisions and Branch Office of the Company and makes suggestions for taking corrective / preventive action.

#### **WAY FORWARD**

STC had been granted exemption from signing of MOU for the years 2020-21, 2021-22. The Company continues to pass through difficult financial phase in view of non-availability of working capital due to choked banking limits, losses booked in the recent years and negative net worth, therefore STC has, through the administrative Ministry, sought exemption from signing of MOU for the year 2022-23 from Department of Public Enterprises, which has been granted by DPE.

In order to overcome the current liquidity crisis, the Company continuously keeps reviewing potential areas of cost reduction and takes appropriate steps for reduction in avoidable expenses. Further, in view of stoppage of business activities the Company shall continue to focus on other avenues of generating income. Simultaneously, the company is lying greater emphasis on recovery of dues from various associates.

The Company continued to follow-up with the lender banks for expediting finalisation of One Time Settlement (OTS) for settling their remaining dues in line with the decision taken during the high level meeting held on 29.08.2019 regarding One Time Settlement of dues of STC with the Banks. As per decision, the balance dues of banks is to be settled

by way of transfer of identified properties worth ₹300 crore (approx.) on as is where is basis to the banks, as full and final settlement. However, the acceptance recently received from lender banks on the Draft Memorandum of One Time Settlement (MOTS) submitted by STC to them for this purpose is not in-line with the decision taken during the meeting held on 29.08.2019. The matter is being informed to the Administrative Ministry for further directions.

#### **CAUTIONARY STATEMENT**

STC is passing through difficult financial position. The Company is not carrying out any business activity and STC's manpower is also reducing due to resignations, VRS, etc. There are no fresh recruitments in STC. Further, the posts of CMD, STC and Functional Directors except Director (Fin.) (Additional Charge) are vacant at present. Therefore, the certain statements contained in this Annual Report describing the Company's objectives, expectations or anticipations may be forward-looking statements within the meaning of applicable laws and regulations and actual results may differ materially from the expectations.

## Business Responsibility Report for FY 2021-22

### About the Company

The State Trading Corporation of India Ltd. (STC) was incorporated on 18th May 1956 under the Companies Act, primarily with a view to undertake trade with East European Countries and to supplement the efforts of private trade and industry in developing exports from the country. STC is a Schedule – 'A', PSE in Trading and Marketing Services. The Company functions under the administrative control of the Ministry of Commerce & Industry (MOC&I), Govt. of India. The Corporate Office of STC is situated at Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi – 110 001, India. The Company has 01 Branch Office and 09 Representative Offices in major cities of India and a wholly owned subsidiary – STCL Limited based at Bangalore.

Currently, the Company is continuing as a 'non-going concern' and no business activities were undertaken by it during the year 2021-22 in pursuance of the directions of the Administrative Ministry and approval of the Board of Directors. However, the company continued monitoring of counter trade obligation as per directions from the Administrative Ministry. The accounts of the Company for the financial year 2021-22 were also published on 'non-going concern basis' in compliance of the Board direction.

Further, the Company continues to pass from difficult financial phase as it has no working capital for day-to-day business affairs due to declaration of STC's account as NPA by lender Banks. The Lender Banks have jointly filed case in DRT against STC for recovery of their dues and the proceedings are going on. The company is in the process of One Time Settlement (OTS) with the lender banks in line with the decision taken during the high level meeting held on 29.08.2019. During the year 2021-22, STC reported a net loss of `94 crore and the Company has a negative net worth of `1082 crore approx. (excluding revaluation reserves) as on 31.03.2022.

### Business Responsibility Report – FY 2021-22

As per the Clause 34(2) (f) of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, the top thousand listed Companies in terms of market capitalisation have been mandated to issue annual Business Responsibility Report (BRR).

#### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company  
**L74899DL1956GOI002674**
2. Name of the Company  
**The State Trading Corporation of India Limited (STC)**
3. Registered Office Address  
**Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi -110001**
4. Website : **www.stclimited.co.in**
5. E-mail : **co@stclimited.co.in**
6. Financial Year reported : **2021-22**
7. Sector(s) that the Company is engaged in (industrial activity code-wise) : **Trading**
8. List three key products/services that the Company manufactures/provides (as in balance sheet)  
Presently, the Company is continuing as a 'non-going' concern and no business activities were undertaken by it during the year 2021-22 in pursuance of the directions of the Administrative Ministry and approval of the Board of Directors.
9. Total number of locations where business activity is undertaken by the Company
  - i. Number of International Locations (Provide details of major 5)  
**NIL**
  - ii. Number of National Locations  
**1 Branch Office and 9 Representative Office in India**
10. Markets served by the Company – Local/State/National/International  
**Not Applicable in view of non-going concern status of the Company**

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	<b>60 Crores</b>
2.	Total Turnover (INR)	<b>NIL</b>
3.	Total profit after taxes 2021-22 (INR)	<b>(93.97) Crores</b>
4.	Total budgeted expenditure on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	As per Section 135 of the Companies Act, 2013, the Company was not mandated to allocate CSR budget for the year 2021-22 due to average net loss of last three preceding financial years.
5.	List of activities in which expenditure in 4 above has been incurred	Since the Company was not mandated to allocate CSR budget for the year 2021-22, therefore no CSR activities were undertaken during the year.

### SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies?**  
Yes. STCL Limited based at Bangalore  
**Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**  
- No
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**  
- No

### SECTION D: BR INFORMATION

#### 1. Details of Director/Directors responsible for BR

- Details of the Director/Director responsible for implementation of the BR policy/policies for the year 2021-22
  - DIN Number - 08751137
  - Name - Kapil Gupta
  - Designation - Director (Finance) (Additional Charge)
- Details of the BR head

S. N.	Particulars	Details
1.	DIN Number (if applicable)	-
2.	Name	S.K. Meena
3.	Designation	Joint General Manager
4.	Telephone number	011-23462319
5.	e-mail id	skmeena@stclimited.co.in

#### 2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

**Principle 1** – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

**Principle 2** – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

**Principle 3** – Businesses should promote the wellbeing of all the employees.

**Principle 4** – Businesses should respect the interests of, and be responsive towards all the stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

**Principle 5** – Businesses should respect and promote human rights.

**Principle 6** – Businesses should respect, protect and make efforts to restore the environment.

**Principle 7** – Businesses, when engaged in influencing public and regulatory policy should do so in a responsible manner.

**Principle 8** – Businesses should promote inclusive growth and equitable development.

**Principle 9** – Businesses should engage with and provide value to their customers and consumers in a responsible manner.

S.N.	Questions	P 1	P2	P 3	P4	P5	P6	P7	P8	P 9
1.	Do you have policy/policies for...	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y		Y	Y	Y			Y	
3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y		Y	Y	Y			Y	Y
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y		Y	Y	Y			Y	
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y		Y	Y	Y				
6.	Indicate the link for the policy to be viewed online?	<a href="http://www.stclimited.co.in">www.stclimited.co.in</a>		<a href="http://www.stclimited.co.in">www.stclimited.co.in</a>						
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y		Y	Y	Y			Y	
8.	Does the company have in-house structure to implement the policy/policies.	Y		Y	Y	Y			Y	
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y		Y	Y	Y				
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y		Y		Y				

**2a. If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**



S.No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles							✓		
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

### 3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year?

The Board of STC has been meeting at least within 3 months. The meetings of the Board are governed by a structured agenda for discussions. Detailed agenda papers including other explanatory notes are circulated in advance on all major issues to enable the Board to take informed and independent decisions.

To facilitate expeditious consideration and arriving at decisions with focused attention on the affairs of the company, the Board has constituted various committees with distinct role, accountability and authority. The Board reviews the performance of the organization in every meeting that was held at least on quarterly basis. During the year 2021-22 STC's Board has discussed and reviewed mainly the following:

- Approval of financial statements/results
- One Time Settlement (OTS) with lender banks
- Annual Budget
- Status of MOU with Administrative Ministry
- Share price & shareholding pattern of STC
- Status of placement of surplus funds
- HR related issues
- Major Trade Receivables/ Legal Cases
- Corporate Governance Report
- Annual Report on CSR

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

As per the mandate by SEBI top 1000 companies by market capital have to prepare the BRR. Accordingly, BRR of STC for the year 2021-22 has been prepared and the same forms a part of the annual report of the Company, and can be viewed on the Company's official website [www.stclimited.co.in](http://www.stclimited.co.in)

### SECTION E – PRINCIPLE WISE PERFORMANCE

#### Principle 1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

##### 1. Does the policy relating to ethics, bribery and corruption cover only the company?

Yes. The ethical conduct of the Company is reflected in the various policy initiatives. While the Employees Conduct, Discipline & Appeal Rules cover the employees at all levels in the organization, a separate guideline in the form of "Code of Business Conduct & Ethics for Board Members and Senior Management" of STC is given for governing the conduct of Senior Management (including Board level executives). In addition, to promote ethical business, policies like Integrity Pact, Whistle Blower Policy and Citizen Charter have been put into operation.

##### Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Yes, the Integrity Pact adopted for all the procurement tenders beyond a threshold value, Citizen Charter extends its purview to vendors, buyers, suppliers, contractors etc. while the code of conduct, whistle

blower policy and Audit Committee Vigil Mechanism covers only the employees of the company. Company also engages Independent External Monitors (IEMs) in line with CVC guidelines and undertakes preventive vigilance measures.

- 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

A total number of 8 public grievances were received during the year 2021-22 on CPGRAMS portal and all of them have been closed.

**Principle 2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

Not Applicable as no business activities were undertaken by the Company during the year 2021-22.

**Principle 3 – Businesses should promote the wellbeing of all the employees**

- 1. Please indicate the Total number of employees**

The total number of employees as on 31.03.2022 was 165 (excluding Board level executives)

- 2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.**

No temporary/ contractual employee was engaged directly on the rolls of STC. However, based on requirement, certain maintenance works such as housekeeping, security, gardening, electrical repairs, furniture repair etc. are being carried out through outsourced services.

- 3. Please indicate the Number of permanent women employees.**

Total number of permanent women employees – 40

- 4. Please indicate the Number of permanent employees with disabilities**

Total number of permanent employees with disabilities – 5

- 5. Do you have an employee association that is recognized by management?**

Yes

- 6. What percentage of your permanent employees is members of this recognized employee association?**

100%

- 7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

S. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as at end of the financial year
1.	Child labour/forced labour/involuntary labour	0	0
2.	Sexual harassment	1	1
3.	Discriminatory employment	0	0

- 8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

STC had 165 employees on its rolls as on 31.03.2022, which included 99 managers and 66 staff. During the financial year 2021-22, due to precarious financial position of the company, no budget was allocated for Training and Development of employees.

**Principle 4 – Businesses should respect the interests of, and be responsive towards all the stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

- 1. Has the company mapped its internal and external stakeholders? Yes/No**

&

- 2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

The Company is owned by the GOI having 90% stake in STC and rest of the shareholding is held by general public. However, the Company is not undertaking any business activity and is continuing as a non-operative Company for the time being. Further, the accounts of STC for the FY 2021-22 were

published on non-going concern basis. Also, the positions of CMD, STC and other Functional Directors except Director (Fin.) (Additional Charge) are lying vacant. All issues have been informed to Administrative Ministry from time to time.

**3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

Yes. STC follows the presidential directives and guidelines issued by Government of India regarding reservation in services for SC/ ST/ OBC/ PWD (Persons with Disabilities)/ Ex servicemen. Grievance/ Complaint Registers are also maintained at Corporate Office for registering grievances. Efforts are made to promptly dispose-off representations / grievances received from SC/ ST employees.

In addition, CSR activities are planned to maximize benefits to the disadvantaged, vulnerable and marginalized stakeholders. Engagement with these stakeholders is done through local Government bodies and NGOs working in the area. However, as per Section 135 of the Companies Act, 2013, the Company was not mandated to allocate CSR budget for the year 2021-22 due to average net loss of last three preceding financial years and thus no CSR activities were undertaken during the year 2021-22.

**Principle 5 – Businesses should respect and promote human rights**

**1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?**

Being a Government of India Company, STC owes allegiance to the Constitution of India.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

Nil.

**Principle 6 – Businesses should respect, protect and make efforts to restore the environment**

Manufacturing is not the main line of commercial activities of STC. This principle is therefore, not applicable to it. Further, no business activities were undertaken by STC during the year 2021-22.

**1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

Yes

**2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

Even though manufacturing is not the main line of activities of STC, it is committed towards environmental upkeep through plantation and by supporting sustainability initiatives through its CSR programs.

**3. Does the company identify and assess potential environmental risks? Y/N**

STC adheres to the guidelines issued by Department of Public Enterprise, Govt. of India.

**4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

No

**5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

STC uses energy efficient electrical equipments for energy conservation across the Organization.

**6. Are the Emissions/Wastes generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

NotApplicable

**7. Number of show cause/ legal notices received from CPCB/SPCB which is pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

NotApplicable

**Principle 7 – Businesses, when engaged in influencing public and regulatory policy should do so in a responsible manner.**

**1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with**

No, in view of difficult financial position of STC all membership subscriptions have since been withdrawn.

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).**

The Organization has not advocated/lobbied through above Associations on any matters relating to public good.

**Principle 8 – Businesses should promote inclusive growth and equitable development**

**1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

STC is not carrying out any business activity and is continuing as a non-operative Company for the time being.

**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

As per Section 135 of the Companies Act, 2013, the Company was not mandated to allocate CSR budget for the year 2021-22. However, STC has a Board Level Committee on CSR consisting of Independent Directors with the Co. Secy. as Member Secretary.

**3. Have you done any impact assessment of your initiative?**

Not applicable

**4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

As per Section 135 of the Companies Act, 2013, the Company was not mandated to allocate CSR budget for the year 2021-22 due to average net loss of last three preceding financial years. Thus, no CSR activities were undertaken during the year 2021-22. However, an amount of Rs.1.40 lakh carried forward from previous years was utilized during the year 2019-20 towards contribution to PM CARES Fund.

Further, a voluntary contribution of Rs.5,67,456/- (one day salary of all employees) was made to PM-CARES Fund in 2019-20 to help in the fight against the COVID-19 pandemic. An annual report on Company's CSR activities in prescribed format as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 is placed at Annexure-III of the Annual Report: 2021-22.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

As per Section 135 of the Companies Act, 2013, the Company was not mandated to allocate CSR budget for the year 2021-22 due to average net loss of last three preceding financial years. Thus, no CSR activities were undertaken during the year 2021-22

**Principle 9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

Complaints are being resolved as per the policy of the company.

**2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**

Not applicable

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending at end of financial year. If so, provide details thereof, in about 50 words or so.**

No such case is pending for Redressal.

**4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

Regular informal interactions are being held with the consumers.

## THE STATE TRADING CORPORATION OF INDIA LIMITED THE ANNUAL REPORT ON CSR ACTIVITIES, 2021-22

### 1. Brief outline on CSR Policy of the Company.

The Company has framed CSR and Sustainability Policy, Process & Procedure of STC and it is in force from the year 2014. The policy is a set of comprehensive guidelines to contribute to inclusive growth and equitable development of marginalized and underprivileged sections/communities, within the broad geographical area in which STC has business activities.

STC's efforts are to undertake CSR initiatives to benefit the weaker/marginalized sections of the society. Weaker sections would include SC, ST, OBC, minorities, women and children, BPL families, old aged and differently-abled persons etc. Subject to availability of funds, CSR project(s) would be designed into short-term, medium-term and long-term projects, by defining the annual target of the activities, funds earmarked and periodicity for execution.

#### Overview of projects or programs proposed to be undertaken in FY-2022-23

STC has exempted from signing of Memorandum of Understanding from the year 2021-22. STC has also stopped undertaking any new business activity and is currently continuing as a non-operative company for the time being.

The Corporation has posted an average net loss of Rs. 71.15 Crore during the last three immediately preceding financial years (-) Rs.113.62(FY2019-20), (-)Rs.51.22 Crore (FY2020-21) and (-)Rs.48.60 Crore (FY2021-22)}, it is not mandated to allocate CSR budget for the year 2022-23. Thus, no new projects or programs proposed to be undertaken in FY-2022-23.

### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Satish Kumar Chawla	Chairperson	0	0
2.	Dr. Vivek Atul Bhuskute	Member	0	0
3.	Dr. Bhim Singh	Member	0	0
4.	Shri Manjeet Kumar Razdan	Member	0	0

### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The Composition of CSR Committee, and CSR Policy is uploaded in the Company's website: [www.stclimited.co.in](http://www.stclimited.co.in)

### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

The Corporation was not allocated CSR budget for the year 2021-22 due to average net loss of last three preceding financial years and thus no projects or programs were implemented. Therefore, carry out impact assessment was not applicable.

### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1.	2021-22	Nil	Nil
	Total	Nil	Nil

### 6. Average net profit of the company as per section 135(5).

Year	Profit (Rs. in Crore)
2018-19	(897.12)
2019-20	(113.63)
2020-21	(51.22)
Average net profit for last 3 years	(353.99)

7. (a) **Two percent of average net profit of the company as per section 135(5)**

In view of the average net loss of Rs. 353.99 Crore, the Corporation was not mandated to allocate CSR budget for the financial year 2021-22 and thus it was 'Nil'.

(b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - Nil**

(c) **Amount required to be set off for the financial year, if any - Nil**

(d) **Total CSR obligation for the financial year (7a+7b-7c). - Nil**

8. (a) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amt. transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Nil					

(b) **Details of CSR amount spent against ongoing projects for the financial year:**

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No).	Location of the project.		Project duration	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes /No).	Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR Registration no.
Nil												

(c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes /No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation Direct (Yes/No).	Mode of Implementation Through - Implementing Agency	
				State	District			Name	CSR Registration no.
Nil									

(d) **Amount spent in Administrative Overheads - Nil**

(e) **Amount spent on Impact Assessment, if applicable - Nil**

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e) - Nil**

(g) **Excess amount for set off, if any**

Sl. No.	Particular	Amount (in Rs.)
i)	Two percent of average net profit of the company as per section 135(5)	Nil
ii)	Total amount spent for the Financial Year	Nil
iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) **Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6)(in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
Nil							

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project Completed / Ongoing.
	Total				Nil			

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (Asset-wise details).**

**(a) Date of creation or acquisition of the capital asset(s).**

Not applicable

**(b) Amount of CSR spent for creation or acquisition of capital asset.**

Not applicable

**(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.**

Not applicable

**(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).**

Not applicable

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).**

The Company was not mandated to allocate CSR funds for the financial year 2021-22 in view of average net loss of Rs. 353.99 Crore for the three immediately preceding financial years.

Sd/-  
**Dr. Vivek Atul Bhuskute**  
Member  
DIN: 09417992

Sd/-  
**Dr. Bhim Singh**  
Member  
DIN: 09407618

Sd/-  
**Shri Manjeet Kumar Razdan**  
Member  
DIN: 09413663

Sd/-  
**Shri Satish Kumar Chawla**  
Chairperson (CSR Committee)  
DIN: 09400987

**Date** : 10.08.2022

**Place** : New Delhi

## REPORT ON CORPORATE GOVERNANCE

### CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance is essentially an ethos which guides and directs the management of a Company in handling its affairs in the best interest of all the stake holders and promotes fairness, transparency and integrity.

SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 [SEBI (LODR)] deals with Corporate Governance requirements. Also the Department of Public Enterprises (DPE) of the Government of India has issued Guidelines on Corporate Governance which are applicable to all Central Public Sector Enterprises (CPSEs) so as to achieve the highest standards of fairness, transparency, trust, integrity, responsibility and accountability with a strong emphasis on ethical and professional conduct.

As a first step towards Corporate Governance, the Company has laid down desirable codes and policies such as Code of Conduct for Board Members and Senior Management Personnel, Code of Conduct for Prevention of Insider Trading, Whistle Blower Policy, Anti-Fraud Policy, Web Archival Policy, Policy on preservation of documents, Policy on Materiality of Related Party Transactions and dealings with Related Party Transactions, Policy for determination of materiality of events & Information and their disclosure and Policy for determining Material Subsidiaries etc. The policies are displayed on the website of the Company, [www.stclimited.co.in](http://www.stclimited.co.in), under the section 'Corporate Commitments'.

The Company is not carrying out any business activity and the manpower of STC has also been reduced significantly due to implementation of VRS in pursuance of the directions of Administrative Ministry. Further, the posts of CMD, STC and Functional Directors except Director (Finance)-Additional Charge are vacant at present due to which difficulties are being faced by the Company in completing various requirements.

The internal control systems and their adequacy is overseen by the Audit Committee so as to bring transparency in decision making. A consolidated compliance report on all laws applicable to the Company is periodically put up to the Board.

### 1. BOARD OF DIRECTORS

1.1 The Company is managed by the Board of Directors, which formulates strategies and policies, oversees their implementation and also reviews Company's performance periodically. Board of Directors is at the core of the Company's corporate governance practices and oversees how the management serves and protects the long term interest of the stakeholders.

#### 1.2 Composition of Board

STC being a Government Company, all its Directors are appointed by the President of India, through the Ministry of Commerce & Industry. The Articles of Association of the Company stipulates that the number of Directors shall not be less than four and more than sixteen. As on 31st March, 2022, there were twelve (12) Directors on the Board comprising, Two (2) whole time Functional Directors and Two (2) Part-Time Official Directors, who are the Government nominees and (8) Part-Time Non-Official Directors (Independent Directors). Consequent upon superannuation of Shri S.K Sharma, Director (Personnel) with Additional charge of CMD on 31.01.2022, the post of CMD is vacant and is yet to be appointed by the Ministry of Commerce & Industry.

All the Directors except CMD and Independent Directors are liable to retire by rotation. At least one third of such Directors retire every year and if eligible, qualify for reappointment.

Apart from CMD and Functional Directors, who receive directors' remuneration, other Directors of the Board do not have any material pecuniary relationships or transactions with the Company, its promoters or its subsidiary, which in judgement of the Board may affect independence of Directors.

At present, the posts of CMD and Functional Directors are vacant except Director (Finance)-Additional Charge. The Administrative Ministry i.e Ministry of Commerce and Industry is being requested on regular basis for filling up the said posts in STC.

#### 1.3 Board Meetings

The meetings of the Board are generally held at the registered office of the Company and are convened by giving appropriate advance notice after approval of the CMD / Whole Time Director of the company. The Board of STC meets regularly at least once in a quarter. The meetings of the Board are conducted as per a structured agenda and members of the Board have complete access to all information of the Company and are also free to recommend inclusion of any subject matter in the agenda for discussion. Detailed agenda containing the management reports and other explanatory statements are circulated in advance amongst the members of the Board for facilitating meaningful, informed and focussed decisions at the meetings. Where it is not



practicable to circulate any document or the agenda note for a particular item of business, the same is tabled with the approval of Chairman and majority of the Board members. Senior officials are called to provide additional inputs to the items being discussed by the Board, as and when necessary.

### 1.3.1 Attendance

The details of the Directors with regard to their category, directorship in other companies, membership/ chairmanship in committees of the boards of other companies as well as attendance at Board Meetings/ Annual General Meeting during 2021-22 are as follows:

Name & Designation	No. of Board Meetings held during the tenure	No. of Board Meetings attended	Whether attended last AGM held on 24.11.2021	As on 31.03.2022	
				No. of Directorships in other Public Limited Companies & Names of Listed Companies	Memberships/ Chairmanship in Committees of the Boards of other companies
<b>Functional Directors</b>					
Shri S.K. Sharma, Director (Personnel) with additional charge of CMD (upto 31.01.2022) (holding DIN No: 06942536)	6	6	Yes	1 Listed Companies : NIL	Nil
Shri N.A.N. Jeyakumar, Director (Marketing) (holding DIN No:08479171)	7	7	Yes	1 Listed Companies : NIL	Nil
Shri Kapil Kumar Gupta, Director(Finance) MMTC with additional charge of Director (Finance) STC (holding DIN No: 08751137)	7	7	Yes	3 Listed Companies : 1. MMTC Limited 2. PEC Limited 3. Neelachal Ispat Nigam Limited	1
<b>Part-time official Directors - Government Nominee</b>					
Shri Shashank Priya Special Secretary & Financial Advisor, DoC (holding DIN No:08538400)	7	6	Yes	6 Listed Companies : 1. Bharat Heavy Electricals Limited 2. HMT Limited 3. MMTC Limited 4. India International Convention And Exhibition Centre Limited 5. Invest India 6. India Trade Promotion Organisation	4
Shri Shyamal Mishra, Joint Secretary, DoC (holding DIN 03073323)	6	5	No	1 Listed Companies : MMTC Limited	Nil
Shri Vipul Bansal, Joint Secretary, DoC (holding DIN No:02687229)	1	0	No	6 Listed Companies : 1. The Gem And Jewellery Export Promotion Council 2. The Gem & Jewellery Skill Council Of India 3. MMTC Limited 4. ECGC Limited 5. Exim Bank 6. NEIA Trust	Nil
<b>Part-time Non-Official Directors – Independent Directors</b>					

Shri Satish Kumar Chawla, Independent Director (holding DIN No. 09400987) w.e.f. 30.11.2021	1	1	No	Nil	1
Shri Ashok Kumar Aseri, Independent Director (holding DIN No. 09405164) w.e.f. 03.12.2021	1	1	No	Nil	1
Dr. Rohini Sanjay Kachole, Independent Director (holding DIN No. 09405874) w.e.f. 01.12.2021	1	1	No	Nil	1
Shri Divakar Shetty Kaup, Independent Director (holding DIN No. 09407538) w.e.f. 30.11.2021	1	1	No	Nil	2
Dr. Bhim Singh, Independent Director (holding DIN No. 09407618) w.e.f. 01.12.2021	1	1	No	Nil	Nil
Shri Manjeet Kumar Razdan, Independent Director (holding DIN No. 09413663) w.e.f. 02.12.2021	1	1	No	Nil	1
Dr. Vivek Atul Bhuskute, Independent Director (holding DIN No. 09417992) w.e.f. 02.12.2021	1	1	No	Nil	2
Shri. Naresh Dhanrajbhai Kella, (holding DIN No. 01176450) Independent Director w.e.f. 30.03.2022	0	0	No	Nil	Nil

**Notes:**

- (i) The Company being a Government Company, all Directors are appointed by the President of India.
- (ii) Directors are not inter se related to each other.
- (iii) Directors do not have any pecuniary relationships or transactions with the Company except receipt of remuneration by CMD and functional directors from the Company.
- (iv) The Directorships /Committee Membership are based on the latest Disclosures received.
- (v) Only Chairmanship / Membership of the Audit Committee and Shareholders' Relationship Committee of public limited companies are taken into account.
- (vi) None of the Directors is a Director in more than eight listed entities and is an independent director in more than seven listed entities.
- (vii) None of the Directors is a member of more than 10 Committees or Chairman of more than 5 Committees, across all the Companies in which he/she is a Director.

**1.3.2 Details of Board Meetings**

During the financial year 2021-22, Seven (7) meetings of the Board were held at the registered office of the company of which one was adjourned and subsequently held on 05.04.2021. The details are as below:

Sr.No	Meeting No.	Date of Board Meeting
1	639 (Adjourned)	05.04.2021
2.	640	25.06.2021
3.	641	03.08.2021
4.	642	13.08.2021
5	643	02.09.2021
6	644	11.11.2021
7	645	09.02.2022

The maximum interval between any two Board meetings did not exceed 120 days.

#### **1.4 Changes in the Board of Directors**

Ministry of Commerce & Industry, Department of Commerce (DoC) vide its Office Orders no. (1) 11/9/2011 - FT (M&O) dated 05th November, 2021 appointed Shri Manjeet Razdan (DIN: 09413663) , Shri Satish Kumar Chawla (DIN:09400987); (2) 11/9/2011 - FT (M&O) dated 10th November, 2021 appointed Dr. Bhim Singh (DIN:09407618) , Dr. Rohini Sanjay Kachole (DIN:09405874), Dr.Vivek Atul Bhuskute (DIN:09417992), Shri Ashok Aseri (DIN:09405164), Shri Divakara Shetty Kaup (DIN: 09407538) and (3) K-25014/3/2019-FT (ST) dated 25.03.2022 appointed Shri Naresh Dhanrajbhai Kella (DIN:01176450) as non-official Independent Directors of the Company.

Ministry of Commerce & Industry vide its office order no. A-12022/17/2013-E.IV dated 31.01.2022 has conveyed that on attaining the age of superannuation, Shri Sanjeev Kumar Sharma, Director (Personnel) having additional charge of CMD retired from the services of the corporation on 31.01.2022 and consequently ceased to be a Director of the Company w.e.f. that date.

Ministry of Commerce & Industry, Department of Commerce (DoC) vide its Office order no. A-12022/5/2017-E.IV dated 29.11.2021 has conveyed that the additional charge of the post of Director (Finance), STC Ltd. held by Shri Kapil Kumar Gupta, Director (Finance),MMTC Limited (holding DIN No: 08751137), is extended for a further period of one year beyond 30.11.2021 i.e., from 01.12.2021 to 30.11.2022 or until further orders, whichever is the earlier.

Ministry of Commerce & Industry, Department of Commerce (DoC) vide its Office order no. 11/36/2001-FT(M&O) dated 17.12.2021 appointed Shri Vipul Bansal, Joint Secretary (holding DIN 02687229), as Part time Official Director (Government Nominee Director) on the Board of STC w.e.f 22.12.2021 vice Shri Shyamal Misra, Joint Secretary, Department of Commerce.

Ministry of Commerce & Industry, Department of Commerce (DoC) vide its Office order no.A-12022/13/2018-E.IV dated 29.04.2022 has conveyed that on attaining the age of superannuation, Shri N.A.N. Jeyakumar, Director (Marketing) retired from the services of the corporation w.e.f 30.04.2022 and consequently ceased to be a Director of the Company w.e.f. that date.

#### **2. RESUME OF DIRECTORS PROPOSED TO BE APPOINTED / RE-APPOINTED**

As per Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief resumes of all Directors retiring by rotation and seeking appointment /re-appointment indicating nature of their experience in specific functional areas, names of Companies in which they hold directorship and membership/ chairmanship of Boards/ Committees are appended to the notice calling the 66th Annual General Meeting of the Company.

#### **3. SKILLS, EXPERTISE AND COMPETENCE OF THE BOARD**

Since, the Company is a Government Company under the administrative control of Ministry of Commerce & Industry, all the Functional Directors including CMD, Government Nominee Directors and Independent Directors are appointed by the Government of India.

#### **4. INDEPENDENT DIRECTORS**

Part-time Non-official (Independent) Directors are appointed by the Board of Directors pursuant to the order of the Department of Commerce, Government of India, for a period of three years or until further orders, whichever is earlier.

Independent Directors are required to comply with the requirements of the "Code of Business Conduct & Ethics for Board Members and Senior Management Personnel", "Code of Conduct to Regulate, Monitor and Report Trading by Insiders" and the "Charter for Board of Directors" approved by the Board of Directors of STC. The Independent Director shall always act in accordance with the Memorandum & Articles of Association of the Company and in furtherance of objects of the Company.

All the Part-time Non-official Directors (Independent Directors) have affirmed that they meet the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

No Part-time Non-official Director (Independent Director) has been resigned before the expiry of his/her tenure as on 31.03.2022.

#### **5. BOARD COMMITTEES**

The posts of CMD and Functional Directors are vacant in STC except Director (Finance)-Additional Charge. The Administrative Ministry i.e Ministry of Commerce and Industry is being requested on regular basis for filling up the said posts in STC.

Further, the Company has the following Committees of the Board:

##### **5.1 Audit Committee**

The terms of reference of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013, Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,

2015 and the Guidelines on Corporate Governance for CPSEs issued by DPE from time to time.

The Audit Committee was reconstituted on 05.01.2022 by the Board of Directors by means of resolution passed by circulation, with Shri Satish Kumar Chawla as Chairperson and Shri Divakar Shetty Kaup, Shri Ashok Kumar Aseri & Dr. Vivek Atul Bhuskute as Members of the Committee.

Besides above, all other Functional Directors, Finance Divisional Head and Statutory Auditors are special invitees to the meetings. Details of Attendance & Meetings held during the FY 2021-22 are as follows:-

### 5.1.2 Attendance:

Member	No. of Meetings held during the period	No of Meetings attended
Shri Shashank Priya, SS& FA, DoC	5	4
Shri Shyamal Misra, JS, DoC	5	0
Shri S.K.Sharma	5	5
Shri N.A.N Jeyakumar	5	5
Shri Satish Kumar Chawla	1	1
Shri Divakar Shetty Kaup	1	1
Shri Ashok Kumar Aseri	1	1
Dr. Vivek Atul Bhuskute	1	1

### 5.1.3 Details of Audit Committee Meetings:

During the financial year 2021-22, Six (6) meetings of Audit Committee were held. The details of Audit Committee meetings are as follows:

Sr. No.	Meeting No.	Date of the Audit Committee Meeting
1.	98	25.06.2021
2.	99	03.08.2021
3.	100	13.08.2021
4.	101	02.09.2021
5.	102	11.11.2021
6.	103	09.02.2022

## 5.2 Nomination and Remuneration Committee

The term of reference of the Nomination and Remuneration Committee are as per Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. Ministry of Corporate Affairs, through notification dated 05.06.2015, has exempted the Government Companies from applicability of Section 178(2), (3) and (4) of the Companies Act, 2013 except with regard to appointment of senior management employees.

STC being a Government Company, the terms and conditions of appointment and remuneration of whole-time Functional Directors including CMD are determined by the Government through administrative ministry, the Ministry of Commerce and Industry. Non-Executive part-time official Directors (Government nominees) do not draw any remuneration or sitting fee. Non-executive part-time non-official Directors (Independent Directors) are paid sitting fees of ₹ 20,000/- for each Board/ Committee meeting attended by them which has been approved by the Board and are within the prescribed limit as per Companies Act, 2013.

The Nomination and Remuneration Committee was reconstituted by the Board of Directors on 05.01.2022 by means of resolution passed by circulation, with Dr. Bhim Singh as Chairperson and Dr. Rohini Sanjay Kachole, Shri Manjeet Kumar Razdan & Shri Ashok Kumar Aseri as members of the Committee.

During the FY 2021-22, one meeting of the Nomination and Remuneration Committee of Directors was held on 09.02.2022 which was attended by all the members.

## 5.3 Stakeholders Relationship Committee:

The Company has a "Stakeholders Relationship Committee" at the Board level to deal with various matters relating to redressal of grievances of the shareholders' including complaints related to transfer of shares, non- receipt of balance sheet, non-receipt of declared dividends. The Stakeholders

Relationship Committee was reconstituted on 05.01.2022 by means of resolution passed by circulation, comprising four members viz, Shri Divakar Shetty Kaup as Chairperson and Dr. Vivek Atul Bhuskute, Dr. Rohini Sanjay Kachole & Shri Manjeet Kumar Razdan as the members of the Committee.

During the FY 2021-22, one meeting of the Stakeholders Relationship Committee of Directors was held on 09.02.2022 which was attended by all the members.

#### 5.4 CSR Committee of the Board of Directors:

The terms of reference of the Committee include formulating and recommending to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company, recommending the amount of expenditure to be incurred on such activities and monitoring the implementation of Corporate Social Responsibility Policy of the Company from time to time.

The CSR Committee was reconstituted by the Board of Directors on 05.01.2022 by means of resolution passed by circulation with Shri Satish Kumar Chawla as Chairperson and Dr. Vivek Atul Bhuskute, Dr. Bhim Singh & Shri Manjeet Kumar Razdan as the members of the Committee.

During the FY 2021-22, one meeting of the CSR committee of Directors was held on 13.08.2021 which was attended by all the members except Shri Shyamal Misra, JS, DoC.

#### 5.5 Risk Management Committee:

The terms of reference of the Risk Management Committee is as per provisions of the Regulation 21 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time, every top 1000 listed companies determined on the basis of market capitalization as at the end of immediate preceding Financial Year are required to constitute a Risk Management Committee.

The Risk Management Committee was reconstituted by the Board of Directors on 23.06.2022 by means of resolution passed by circulation with Shri Kapil Kumar Gupta, Director – Finance, (MMTC) with additional charge of STC as Chairperson and Dr. Rohini Sanjay Kachole (Independent Director), Shri Naresh Dhanrajbhai Kella (Independent Director), Shri Suresh Kumar Meena- Joint General Manager and Smt. Sonal Taneja, Deputy General as the members of the Committee. Shri B.S Rao, Chief Manager & Chief Financial Officer is the permanent invitee to the Risk Management Committee.

During 2021-22, Risk Management Committee was not in place and hence no meetings of Risk management Committee were held.

#### 5.6 Separate Meeting of Independent Directors:

Pursuant to the Provisions of Section 149(6) read with Schedule IV to the Companies Act, 2013, a separate meeting of the Independent directors is required to be held during the year to inter-alia review the performance of non-independent directors and the Board as a whole, review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors and to assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

During 2021-22, a separate meeting of Independent Directors was held on 16.03.2022 at the registered office of the Company. Shri Satish Kumar Chawla, Shri Ashok Kumar Aseri, Dr. Rohini Sanjay Kachole, Shri Divakar Shetty Kaup, Dr. Bhim Singh, Shri Manjeet Kumar Razdan and Dr. Vivek Atul Bhuskute attended the Meeting.

### 6 Directors' Remuneration

#### 6.1 Remuneration of Directors' for the year ended 31.03.2022 was as follows:

##### (a) Functional Directors:

(figures in ₹)

Sr. No	Names	Salary incl. DA	Other perquisites & Benefits	P. F + Pension	Provision (2021-22)	Total
1	Shri S.K.Sharma	2761770	438353	522438	20000	3742561
2	Shri N.A.N Jeyakumar	2885440	455691	546969	20000	3912100
3	Shri Kapil Kumar Gupta #	Not Applicable				

# Shri Kapil Kumar Gupta, Director (Finance) MMTC Limited held only additional charge in STC and they did not draw any remuneration from STC.

**(b) Part-time Non-Official Directors/ Independent Directors**

Non-Executive non-official Directors are paying sitting fees at the rate of ₹ 20,000/- for attending each meeting of the Board / Committee thereof. Details of payments made to Independent Directors during the year 2021-22 are given:-

S.No.	Name of Independent Director	Sitting Fee ( ` in Lakh)
1.	Shri Satish Kumar Chawla	0.40
2.	Shri Ashok Kumar Aseri	0.60
3.	Dr. Rohini Sanjay Kachole,	0.60
4.	Shri Divakar Shetty Kaup	0.60
5.	Dr. Bhim Singh	0.40
6.	Shri Manjeet Kumar Razdan	0.60
7.	Dr. Vivek Atul Bhuskute	0.60
8.	Shri. Naresh Dhanrajbhai Kella	Nil

**6.2 Stock Options**

The Company has not issued any Stock Options to its Directors / Employees.

**6.3 Equity Shares held by Directors**

None of the Directors hold any equity shares in the Company.

**6.4 Service contracts, notice period, severance fee.**

The Chairman & Managing Director and other whole-time Directors are generally appointed for a period of five years from the date of taking over the charge or until the date of superannuation of the incumbent, or until further orders from the Govt. of India, whichever event occurs earliest. Based on the performance, the tenure of the whole-time director can be extended further till the date of superannuation or until further order from the Government of India, whichever event occurs earlier. The age limit for the Chairman & Managing Director and other whole-time Directors is 60 years.

Independent Directors are appointed by the Govt. of India generally for a tenure of three years. The terms and conditions of the services of the Functional Directors including that of the Chairman & Managing Director are decided by the Government of India.

At present, the posts of CMD and Functional Directors are vacant except Director (Finance)-Additional Charge. The Administrative Ministry i.e Ministry of Commerce and Industry is being requested on regular basis for filling up the said posts in STC.

**7. Compliance Officer**

SI No	Name	Period
1	Shri Vipin Tripathi	20.12.2019 - continuing

The Compliance Officer is primarily responsible for ensuring compliance with applicable statutory requirements and is the interface between the management, stake holders and the regulatory authorities.

**8 Redressal of Investors' Grievances**

The company addresses all complaints, suggestions and grievances of the investors expeditiously and usually resolves the issues within 7-10 days except in case of dispute over facts or other legal constraints.

Generally, no request for share transfer is pending beyond 15 days except those that are disputed or sub-judice. All requests for de-materialization of shares are likewise processed and confirmation communicated to investors and Depository Participants within 10 working days.

During the year, a total of 2 complaints /queries/ correspondence were received and all the 2 were replied / attended to the satisfaction of the shareholders. No complaint is pending as on 31st March, 2022.

**8.1 Settlement of Grievances**

Investors may register their grievances in the manner stated below:

Sr. No.	Nature of Complaint	Contact Office	Action to be taken
1.	For Shares in Physical form – Change of address, status, Bank account, Mandate, ECS Mandate transfer/transmission of shares, bonus shares etc.	MCS Share Transfer Agents Ltd. F-65,1st Floor, Okhla Industrial Area, Phase-i, New Delhi-110020 Tel.No.91-11 41406149/50/51/52 Fax: 91 - 41709881. Website:www.mcsregistrars.com e-mail: admin@mcsregistrars.com	Letter on plain paper stating the nature of complaint, Folio No., lodging of original shares and other documents/ instruments as the case may be
2.	For Shares in Demat form- Change of address, status, Bank account, Mandate, ECS mandate etc.	Concerned Depository Participant (DP) where share holder is maintaining his/ her account.	As per procedure prescribed by the DP.

## 9. Familiarization programme of the Independent Directors

The details regarding familiarization programme of Independent Directors are available on the website of the Company in Investor Desk under Disclosure under Regulation 46 of SEBI (LODR) Regulations with the heading as Details of familiarization programmes imparted to Independent Directors (link: <http://www.stclimited.co.in/sites/default/files/DFPID150722.pdf>)

## 10. CODE OF CONDUCT FOR MEMBERS OF THE BOARD AND SENIOR MANAGEMENT.

The Company is committed to conducting its business in accordance with the standards of business ethics and complying with applicable laws, rules and regulations. A Code of Conduct was adopted by the Board for Board Members and Senior Management in line with the model code of conduct for Board Members and Senior Management stipulated in the Guidelines on Corporate Governance for CPSEs issued by DPE. A copy of the Code has been placed on the Company's website: [www.stclimited.co.in](http://www.stclimited.co.in).

All the Members of the Board and senior management have confirmed compliance with the Code of Conduct for the year under review. Since the post of Chairman & Managing Director is vacant, a declaration on Code of Conduct for Members of the Board and Senior Management which is signed by Director (Finance)-Additional Charge is annexed.

### 10.1 CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING.

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Board in its meeting held on 11.02.2019 has approved the amended 'Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons – Insider Trading Code' and also 'Code of Fair Disclosure and Conduct – Practices and Procedures for Fair Disclosure of Unpublished price Sensitive Information' (effective from 01.04.2019) in line with the SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018. The objective of the Code is to prevent purchase and/or sale of shares of the company on the basis of unpublished price sensitive information. Under this Code, the 'designated persons' as defined under the Code are prohibited from dealing in the Company's shares during the closure of Trading Window and other specified period(s). To deal in securities beyond specified limit, permission of Compliance Officer is required. All Directors and designated employees are required to disclose related information periodically as stipulated in the Code. The Code has been circulated to all Directors and Employees and has been hosted on the Company website: [www.stclimited.co.in](http://www.stclimited.co.in).

### 10.2 CEO / CFO CERTIFICATION

In terms of Regulation 17(8) specified in Part B of schedule II Corporate Governance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the certification by the CEO / CFO on the financial statements and internal controls relating to financial reporting for the year 2021-22 was submitted to the Board on 27.05.2022. Since the post of Chairman & Managing Director is vacant, the same was signed by Director (Finance)-Additional Charge and Chief Financial Officer (CFO), is annexed.

## SUBSIDIARY COMPANY

The Company has one wholly owned unlisted subsidiary Company, STCL Limited. The said subsidiary is a Board managed company with its Board having the rights and obligations to manage the Company in the best interest of its stakeholders. The Directors on the Board are appointed by the President of India through Administrative Ministry, Ministry of Commerce and Industry. The composition of the Board during FY 2021-22 is as follows:

(i)	Shri S.K.Sharma (Director Personnel) CMD (Additional charge), STC (upto 31.01.2022)	:	Chairman (Additional Charge)
(ii)	Shri N.A.N. Jeyakumar (Director Marketing) STC (upto 30.04.2022)	:	Managing Director (Additional Charge)
(iii)	Smt Rooma Nagrath, GM-F & CFO, STC (upto 30.09.2021)	:	Director
(iv)	Shri Anup Singh, Deputy Secretary, DoC	:	Director

The performance of the subsidiary is reported to the Board periodically.

The subsidiary is not a 'material subsidiary', in terms of Regulation 24 of SEBI (LODR) Regulations, 2015. The corporate governance requirements as applicable to a 'non-material subsidiary' are being complied with.

## 12. GENERAL BODY MEETINGS

The Annual General Meetings of the Company are held at the Registered Office of the Company i.e. Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-110001. The details of such meetings held during the last three years are as under:

Nature of Meeting	Financial Year	Date & Time
Annual General Meeting	2020-21	24.11.2021 – 02:00 P.M. (Through Video Conferencing)
Annual General Meeting	2019-20	17.12.2020 – 02:00 P.M. (Through Video Conferencing)
Annual General Meeting	2018-19	24.09.2019 – 04:00 P.M.

All resolutions moved at the last Annual General Meeting were passed by requisite majority of members through e-voting.

No Special Resolution had been passed at last three years' Annual General Meetings.

However the following special/ordinary resolutions were passed through postal ballot during the current financial year:

Date of postal ballot notice : 26.05.2022  
Voting Period : 28.05.2022 - 26.06.2022  
Declaration of results : 28.06.2022



S.No.	Resolution	No. of votes in favour	Percentage	No. of votes against	Percentage
1	<b>Special Resolution</b> : To approve the appointment of Shri Manjeet Kumar Razdan (DIN: 09413663) as Independent Director of the Company.	54018760	99.99	6659	0.01
2.	<b>Special Resolution</b> : To approve the appointment of Shri Satish Kumar Chawla (DIN: 09400987) as Independent Director of the Company.	54018760	99.99	6659	0.01
3.	<b>Special Resolution</b> : To approve the appointment of Dr. Bhim Singh (DIN:09407618) as Independent Director of the Company.	54018785	99.99	6659	0.01
4.	<b>Special Resolution</b> : To approve the appointment of Shri Divakar Shetty Kaup (DIN: 09407538) as Independent Director of the Company.	54018742	99.99	6702	0.01
5.	<b>Special Resolution</b> : To approve the appointment of Dr. Vivek Atul Bhuskute(DIN: 09417992) as Independent Director of the Company.	54018771	99.99	6663	0.01
6.	<b>Special Resolution</b> : To approve the appointment of Dr. Rohini Sanjay Kachole (DIN: 09405874) as Independent Director of the Company.	54018785	99.99	6659	0.01
7.	<b>Special Resolution</b> : To approve the appointment of Shri Ashok Kumar Aseri(DIN: 09405164) as Independent Director of the Company.	54018780	99.99	6664	0.01
8.	<b>Ordinary Resolution</b> : To approve the appointment of Shri Vipul Bansal (DIN:02687229) as Part-Time Government Director of the Company.	54018841	99.99	6603	0.01
9.	<b>Special Resolution</b> : To approve the appointment of Shri Naresh Dhanrajbhai Kella (DIN: 01176450) as Independent Director of the Company.	54018786	99.99	6658	0.01

### Procedure of Postal Ballot

Pursuant to provision of Section 110 of the Companies Act, 2013 and Rules made thereunder, the Postal Ballot Notice dated 26th May, 2022 was sent to all the members of the Company through electronic form, for seeking their approval by means of ordinary / special resolutions through postal ballot. The dispatch of the aforesaid notice through email to the Members of the Company was completed on 26th May, 2022 and an advertisement in this regard was published in the newspapers, both in English and Hindi on 27th May, 2022. The e- voting period commenced on Saturday, 28th May, 2022 (9:00 A.M. IST) and ended on Sunday, 26th June, 2022 (5:00 P.M. IST).

The Company had appointed M/s P. C. Jain & Co., Practising Company Secretaries, as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner. The E-Voting facility through NSDL was provided to the Members of the Company.

The Members were requested to cast their votes electronically up to 5:00 P.M. (IST) on Sunday, 26th June, 2022.

After due scrutiny of all the postal ballot votes electronically up to 5:00 P.M. (IST) on Sunday, 26th June, 2022 (being last date fixed for the postal Ballot voting by Members), M/s P. C. Jain & Co., Practicing Company Secretaries, presented his report dated 28th June, 2022, based on which the results were declared on 28th June, 2022.

### 13. DISCLOSURES

Under Regulation 23 of SEBI Regulation, all related party transactions require approval of the Audit Committee. Further, all material Related Party Transactions shall require approval of the shareholders through special resolution. As per section 188 of the Companies Act, 2013, certain contract / arrangement with related party requires approval of the Board of Directors. Further, if these transactions cross the limit prescribed under the Rules, the approval of Shareholder through special resolution is required. The Company has formulated a Policy on Materiality of Related Party Transactions (RPT) and also on Dealing with Related Party Transactions. 'Related Party Transactions Policy' was amended by the Board on 27.05.2022 by including 'clear threshold limits' as per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- The RPT Policy is available at the web link: <http://www.stclimited.co.in/content/related-party-transactions-policy>.
- The Company has a 'policy for determining material subsidiaries' which is available on the weblink: <http://www.stclimited.co.in/content/policy-determining-material-subsidiaries>
- During the year, there were no transactions of material nature with the Directors or the Management or the subsidiary or relatives that had potential conflict of interest with the company.
- The details of "Related Party Disclosures" have been disclosed in the Notes Forming Part of Accounts in the Annual Report.
- The applicable accounting standards have been followed in the preparation of financial statements along with proper explanation relating to material departures.
- The Company has complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Directors are nominated on training programmes organized by DPE & SCOPE from time to time.
- The Company does not have any shares in the demat suspense account or unclaimed suspense account.

### 14 MEANS OF COMMUNICATION

- **Quarterly / Annual Results:** The Company regularly intimates un-audited as well as audited financial results to the stock exchanges immediately after these are approved by the Board. These financial results are normally published in the leading English and vernacular dailies having wide circulation across the country. The results are also displayed on the website of the Company [www.stclimited.co.in](http://www.stclimited.co.in). The results are not sent individually to the shareholders
- **Limited Review Reports:** "Limited Review reports" of the unaudited financial results for the respective quarter(s) obtained from statutory auditors of the company are filed with the Stock Exchange(s) from time to time.
- **News Release:** The official news releases are displayed on the Company's website [www.stclimited.co.in](http://www.stclimited.co.in).
- **Website:** The Company's website [www.stclimited.co.in](http://www.stclimited.co.in) contains a separate section where the shareholders information is available. Full Annual Report, Shareholding Pattern and Corporate Governance Report etc. are also available on the website in a user friendly manner.
- **Annual Report:** Annual Report containing inter-alia, Audited Annual Accounts, Directors' Report, Management Discussion and Analysis (MD&A) Report, Auditors' Report, Corporate Governance Report including information for the Shareholders and other important information is circulated to the members and others entitled thereto.

## 15 SHAREHOLDERS' INFORMATION

### 15.1 Forthcoming AGM –Date, Time and Venue

The Annual General Meeting for the Financial Year 2021-22 is scheduled to be held through Video Conferencing on **Friday, 30<sup>th</sup> September, 2022 at 11.00 A.M** at Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi - 110001.

### 15.2 Financial Year & Calendar:

The company adopts the financial year from 1st April to 31st March. Quarterly accounts are adopted by the Board by dates indicated below:

Adoption of Quarterly results for the quarter ending	Last date for adoption of Financial Results
June 30, 2022	14th August, 2022
September 30, 2022	14th November, 2022
December 31, 2022	14th February, 2023
March 31, 2023 (Audited)	30th May, 2023

### 15.3 Book Closure Period:

The Register of Members shall remain closed from **Friday, 23<sup>rd</sup> September, 2022 to Friday, 30<sup>th</sup> September, 2022** (both days inclusive) for the purpose of Annual General Meeting and Dividend, If any.

### 15.4 Listing on Stock Exchanges

The equity shares of the company are listed on the following Stock Exchanges:

Name, address and contact details	Security Code	Type of Security
The Bombay Stock Exchange Limited (BSE) P.J. Towers, Dalal Street, Mumbai-400 001 Telephone : 022-22721233/4 Fax:022-22723121/3719/2037/2039 E-mail: info@bseindia.com Website: www.bseindia.com	512531	Equity
National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No.1, G - Block, Bandra - Kurla Complex, Bandra (East), Mumbai-400 051. Telephone: 022-26598100-8114 Fax: 022-26598237/38 E-mail: cc_nse@nse.co.in Website: www.nseindia.com	STCINDIA -EQ	Equity

### 15.5 Listing Fee

The Annual Listing Fee for the listed equity shares pertaining to the year 2022 - 23 has been paid to the concerned Stock Exchanges.

### 15.6 Payment of Annual Custody Fee to NSDL and CDSL Stock code: INE655A01013

The Company has paid Annual Custody Fee to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year 2022-23 based on the Folio/ ISIN positions as on 31.03.2022.

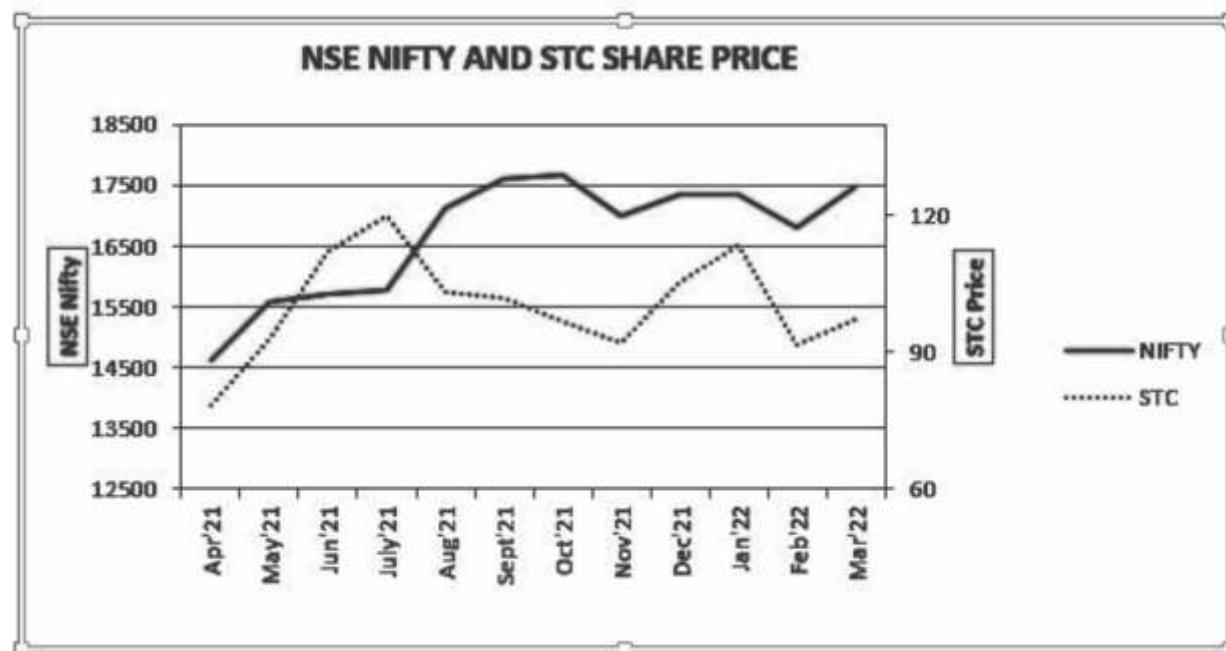
### 15.7 Stock Market Data: High/Low during each month in last financial year 2021-22 and with comparison with BSE Sensex and NSE Nifty

Month	National Stock Exchange				Bombay Stock Exchange				NIFTY	SENSEX
	High Price (in ₹)	Low Price (in ₹)	Closing Price (in ₹)	Volume (in no. of Shares)	High Price (in ₹)	Low Price (in ₹)	Closing Price (in ₹)	Volume (in no. of Shares)		
Apr-21	82.9	66.75	78.45	1246714	81.95	65	78	230127	14631.1	48782.36
May-21	99.8	76.5	92.85	1847477	99.35	77	93.15	338498	15582.8	51937.44
Jun-21	138.8	88.75	112.15	7511236	138.75	89	112.15	1241465	15721.5	52482.71
Jul-21	125	107.65	120	3324754	124.9	108	119.95	845631	15763.05	52586.84
Aug-21	123	98.1	103.4	1457756	133	97.3	103.15	282148	17132.2	57552.39
Sep-21	109.5	98.65	102.1	1098517	109.5	98.85	102.2	110265	17618.15	59126.36
Oct-21	116.45	95.1	96.85	2280129	116.2	95.25	97.15	236527	17671.65	59306.93
Nov-21	104.2	88.9	91.9	396331	108	88.05	91.6	54256	16983.2	57064.87
Dec-21	122.65	87	105.5	3593260	122.5	81.65	104.55	334498	17354.05	58253.82
Jan-22	119.4	98.2	113.35	2690993	119.6	98.85	113.15	284056	17339.85	58,014.17
Feb-22	117.65	81.60	91.50	1081979	117.10	83.00	91.50	150185	16793.9	56247.28
Mar-22	116.50	90.10	97.15	2483748	116.20	90.90	97.10	328851	17464.75	58568.51

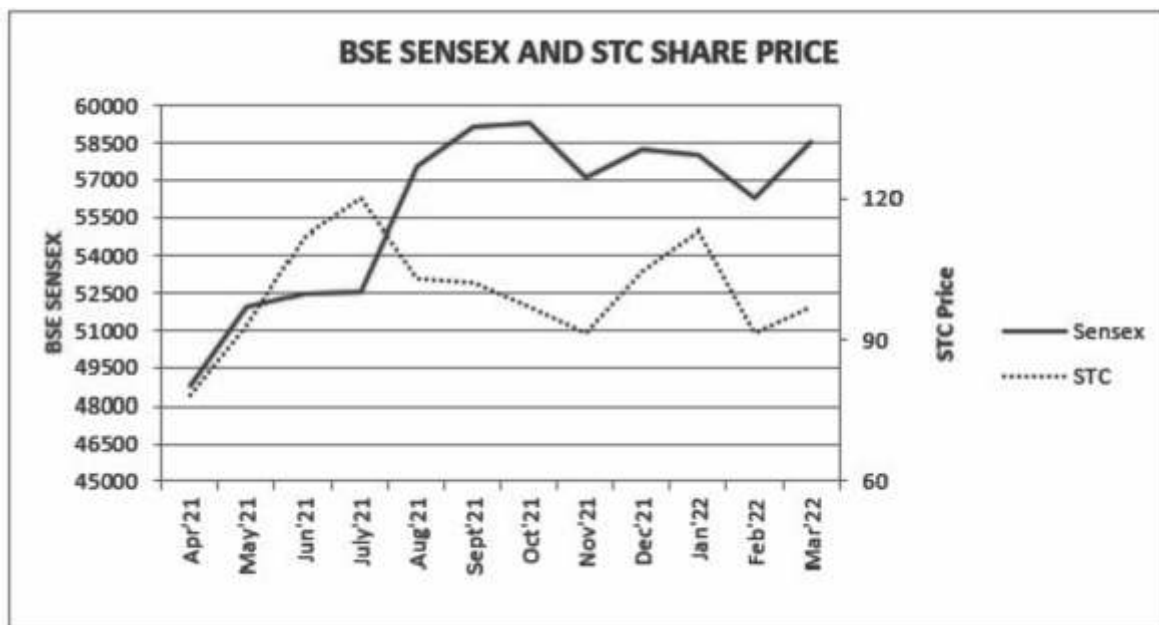
Source : websites of BSE and NSE

### 15.8 Performance of the share price of the Company in comparison to the NSE Nifty and BSE Sensex:

#### (I) NSE NIFTY and STC Share Price



(ii) BSE Sensex and STC Share Price



16. Share Transfer System

MCS Share Transfer Agents Limited is the Registrar and Share Transfer Agent (RTA) for the physical shares and is the depository interface of the Company with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The shares of the company are traded compulsorily in dematerialized form. Shares received for transfer in physical form are normally processed within a period of 15 days from the date of lodgement of valid share transfer deed along with share certificate. No share transfer request was pending as on 31.03.2022. Share transfers in physical form has been discontinued by SEBI w.e.f. 01.04.2019.

Pursuant to the Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificates from practicing Company Secretary confirming due compliance of share transfer formalities by the Company, certificates for timely dematerialization of the shares as per SEBI (Depositories and Participants) Regulations, 1996 are sent to Stock Exchanges on half yearly basis.

In addition, Report on 'reconciliation of share capital audit' confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL is placed before the Board on a quarterly basis. A copy of the Audit Report is also submitted to the Stock Exchanges.

16.1 Shareholding Pattern as on 31st March, 2022

Category	No. of Shareholders	No. of Shares	Percentage of Shareholding
President of India (Government of India)	1	54000000	90.00
Mutual Funds/UTI	1	100	0
Financial Institutions / Banks	0	0	0
Insurance Companies	3	604530	1.00
Foreign Institutional Investors	1	619	0
Bodies Corporate	184	200984	0.34
Indian Public	23331	5070041	8.45
Non Resident Indians	176	77503	0.13
NBFC's	1	325	0
Trust	1	100	0
IEPF Authority	1	45798	0.08
<b>Total</b>	<b>23700</b>	<b>60000000</b>	<b>100.00</b>

## 16.2 Top 10 Shareholders as on 31st March, 2022

Name	No. of Shares held	% of total Shares
President of India (Government of India)	54000000	90.0000
The New India Assurance Company Limited	535000	0.8917
Vineet Nahata	237871	.3965
Vineet Nahata	104770	.1746
Basheer V M	60000	.1000
Vineet Nahata	56871	.0948
Vineet Nahata	51667	.0861
Vineet Nahata	51535	.0859
Investor Education And Protection Fund Authority	45798	.0763
Kali Kripa Agro Investments Pvt. Ltd.	41027	.0684
The Oriental Insurance Company Limited	40936	.0682

## 16.3 Distribution of Shareholding by Size as on 31st March, 2022

Category (No. of Shares)	Number of Shares	% of Shareholding	Total number of Shareholders	% of Shareholders
1-500	1887467	3.1458	22024	92.9283
501-1000	781367	1.3023	974	4.1097
1001-2000	602455	1.0041	400	1.6878
2001-3000	321325	.5355	126	.5316
3001-4000	162138	.2702	46	.1941
4001-5000	218781	.3646	46	.1941
5001-10000	337925	.5632	49	.2068
10001-50000	590828	.9847	27	.1139
50001-100000	220073	.3668	4	.0169
100001 and above	54877641	91.4627	4	.0169
<b>Total</b>	<b>60000000</b>	<b>100.0000</b>	<b>23700</b>	<b>100.0000</b>

## 16.4 Corporate Benefits Dividend History

Year	Interim/Final	Rate (%)	Per Share (₹)	Amount (₹ in lakh)
2013-14		Nil		
2014-15		Nil		
2015-16		Nil		
2016-17		Nil		
2017-18		Nil		
2018-19		Nil		
2019-20		Nil		
2020-21		Nil		
2021-22		Nil		

## 16.5 Transfer of Unpaid/ Unclaimed Dividend to Investors' Education and Protection Fund (IEPF)

### (a) Transfer of Unpaid/Unclaimed dividend

In accordance with Section 124 of the Companies Act, 2013 requiring transfer of dividend remaining unclaimed and unpaid for a period of 7 years from the due date to the IEPF, during the year, there was no transfer of amount pertaining to unpaid/unclaimed dividend to the Investor Education and Protection Fund (IEPF)

### (b) Transfer of unclaimed shares

Pursuant to the provisions of section 124 (6) of the Companies Act, 2013 read with the IEPF

Rules, 2016 as amended from time to time, the Company is mandated to transfer all the shares in respect of which dividends have not been paid or claimed for seven consecutive years or more, in the name of Investor Education and Protection Fund.

During the Financial Year 2021-22, no shares have been transferred to IEPF Authority. As on 31.03.2022, total number of 45798 shares are lying with IEPF Authority.

**(c) Refund of Claimants from IEPF Authority**

Any person, whose shares, unclaimed dividend, matured deposits, matured debentures, application money due for refund, or interest thereon, sale proceeds of fractional shares, redemption proceeds of preference shares, etc. has been transferred to the Fund, may claim the shares under provision to sub-section (6) of section 124 or apply for refund under clause (a) of sub-section (3) of section 125 or under proviso to sub-section (3) of section 125, as the case may be, to the Authority by submitting an online application in form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) along with fee specified by the Authority from time to time in consultation with the Central Government.

**16.6 Dematerialization of Shares and Liquidity**

Description	No. of Shareholders	Shares	% of Equity
CDSL	11512	56642779	94.405
NSDL	12109	3349447	05.582
Physical	79	7774	0.013
Total	23700	60000000	100.00

The shares of the company are available for trading in depository system of both National Securities Depository Limited and Central Depository Services (India) Limited. As on 31st March, 2022, 59992226 equity shares forming 99.987 % of the shareholding, stood dematerialized.

**16.7 OUTSTANDING GDRs /ADRs /WARRANTS OR CONVERTIBLE INSTRUMENTS**

No GDRs/ADRs/Warrants or Convertible Instruments have been issued by the Company.

**16.8 ADDRESSES FOR SHAREHOLDERS' CORRESPONDENCE**

These have been given at 8.1 above.

**17. RISK MANAGEMENT**

A Risk Management Framework continued to be in place to add further objectivity to the process of risk assessment while considering trade proposals. The Risk Management Framework measures the risk involved in a business proposal in the form of a total risk score which is weighed vis-à-vis available risk mitigation measures.

**18. HEDGING**

The Company did not take any exposure in volatile commodities/market condition. During the year, guidelines were in place requiring forward foreign exchange cover to be taken in respect of transactions involving STC funds. However, no such transactions were undertaken by the Company.

**19. WHISTLE BLOWER POLICY**

The Company had framed a Whistle Blower Policy with the approval of the Board and the same had been implemented w. e. f. 10th May, 2012. However in order to comply with the statutory amendments and to make the vigil mechanism in consonance with the various requirements as mentioned above, the Whistle Blower Policy was amended and adopted by the Board of Directors on 28.05.2019.

The amended 'Whistle-blower Policy' is available on the website of the Company: [www.stclimited.co.in](http://www.stclimited.co.in).

**20. DETAILS OF FEES TO STATUTORY AUDITORS**

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, is as follows:

Type of service	Year 2021-22
Statutory Audit fees	₹ 8,00,000+GST
Tax Audit fees	₹ 4,00,000+GST
Others (including Quarterly review Audit fees)	₹2,00,000 +GST

**21. DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has laid down an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received in this regard. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

SI No	Details	Number
1	Complaints filed during the financial year	1
2	Complaints disposed of during the financial year	0
3	Complaints pending as on end of the financial year	1

**22. OTHER DISCLOSURES**

No funds were raised by the Company through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A), during the year under review.

There were no instances where the board did not accept any recommendation of any committee of the Board which is mandatorily required, during the year under review.

No credit rating had been obtained by the Company along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.

**23. Adoption of discretionary requirements as specified in Part E of Schedule II**

The company is examining the implementation of discretionary requirements as specified in Part E of Schedule II, wherever possible.

**24. GUIDELINES ON CORPORATE GOVERNANCE BY DPE**

The Board of Directors of STC has adopted Guidelines on Corporate Governance, 2010 for CPSEs issued by the Department of Public Enterprises (DPE) on mandatory basis as the Board approved policy on Corporate Governance.

**25. QUARTERLY CORPORATE GOVERNANCE REPORT**

The Company regularly submits a quarterly compliance report on corporate governance in the prescribed format to the BSE and NSE within fifteen days from the end of the quarter, in terms of Regulation 27.

**26. SECRETARIAL AUDIT REPORT**

Secretarial Audit was got conducted by M/s VAP & Associates , Practising Company Secretaries confirming compliance to the applicable provisions of the Companies Act, 2013, SEBI Regulations, SEBI guidelines, DPE guidelines and all other related rules and regulations relating to Capital Market. The Certificate issued by the Secretarial Auditors as noted by the Board and Management Replies to the observations made by the Secretarial Auditors as approved by the Board, forms part of the Directors' Report and annexed hereto

**27. COMPLIANCE CERTIFICATE FROM AUDITORS / PRACTICING COMPANY SECRETARY**

A Certificate from the Practising Company Secretary of the Company, confirming compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises (DPE Guidelines) is annexed to the Directors' Report forming part of the Annual Report.



# CODE OF CONDUCT

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

**Sub.: Code of Conduct–Declaration under Regulation 34(3) specified in Para D of Schedule V Annual Report of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sirs/Madam,

This is to certify that:

1. In pursuance of the Regulation 17(5) and Regulation 34(3) specified in Para D of Schedule V Annual Report of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Code of Conduct has been laid down by the Company for all the Board Members and the Senior Management Personnel of the Company.
2. The said Code of Conduct is also uploaded on the website of the Company at [www.stclimited.co.in](http://www.stclimited.co.in).
3. All Board Members and Senior Management Personnel have affirmed having complied with the said Code of Conduct of Board of Directors and senior management, during the year ended 31st March, 2022.

**(Kapil Kumar Gupta)  
Director-Finance  
Additional Charge**

**Place: New Delhi  
Date: 05.08.2022**

## Compliance Certificate

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

To the Board of Directors of

### **The State Trading Corporation of India Ltd.**

We, B S Rao, CFO and KK Gupta, Director Finance MMTC Additional Charge of STC certify that :

- A. We have reviewed financial statements and the cash flow statement for the year ended 31.03.2022 and that to the best of our knowledge and belief :
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee that:
1. There has not been any significant change in the internal control over financial reporting during the year under reference.
  2. There has been a significant change in accounting policies during the year except those disclosed in the notes to the financial statements; and
  3. There has not been any instances during the year of significant fraud except to the extent disclosed in notes to the accounts, of which we had become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.

**Sd/-**  
**(K K GUPTA)**  
Director of Finance  
MMTC Additional Charge of STC  
Din - 08751137

**(B S Rao)**  
CFO

**Place: New Delhi**  
**Dated: 27.05.2022**

## **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

**To,  
The Members  
The State Trading Corporation of India Limited  
Jawahar Vyapar Bhawan, Tolstoy Marg  
New Delhi-110001**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **THE STATE TRADING CORPORATION OF INDIA LTD** having CIN **L748990DL1956GOI002674** and having registered office at **Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-110001** (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)] as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below during the Financial Year March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of Appointment in Company</b>	<b>Date of Cessation</b>
1.	Shri Sanjeev Kumar Sharma	06942536	16.07.2014	31.01.2022
2.	Shri Nainar Arumugam Nainar Jeyakumar	08479171	12.06.2019	*
3.	Shri Shashank Priya	08538400	19.08.2019	-
4.	Shri Shyamal Misra	03073323	10.02.2020	07.12.2021
5.	Shri Kapil Kumar Gupta	08751137	03.06.2020	-
6.	Shri Satish Kumar Chawla	09400987	30.11.2021	-
7.	Shri Divakar Shetty Kaup	09407538	30.11.2021	-
8.	Dr. Rohini Sanjay Kachole	09405874	01.12.2021	-
9.	Dr. Bhim Singh	09407618	01.12.2021	-
10.	Shri Manjeet Kumar Razdan	09413663	02.12.2021	-
11.	Dr. Vivek Atul Bhuskute	09417992	02.12.2021	-
12.	Shri Ashok Kumar Aseri	09405164	03.12.2021	-
13.	Shri Vipul Bansal	02687229	22.12.2021	-
14.	Shri Naresh Dhanrajbhai Kella	01176450	30.03.2022	-

\* Shri Nainar Arumugam Nainar Jeyakumar ceases to be Director (Marketing) with effect from 30.04.2022.

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Kumar Naresh Sinha & Associates.  
Company Secretaries**

**CS Naresh Kumar Sinha  
(Proprietor)  
FCS: 1807; C P No.: 14984  
PR: 610/2019  
F.R. No. S2015UP440500  
UDIN: F001807D000778990**

**Place: Noida  
Date: 10.08.2022**

**CERTIFICATE ON COMPLIANCE OF CONDITIONS OF  
CORPORATE GOVERNANCE FOR THE FY 2021-22**

To,

**The Members  
THE STATE TRADING CORPORATION OF INDIA LIMITED  
Jawahar Vyapar Bhawan,  
Tolstoy Marg, New Delhi-110001**

1. We have examined the compliance of conditions of Corporate Governance by **THE STATE TRADING CORPORATION OF INDIA LIMITED** ("the Company"), for the financial year ended on **March 31, 2022**, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and as stipulated in the guidelines of Department of Public Enterprises (DPE) on Corporate Governance for Central Public Sector Undertakings issued in May 2010.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations and DPE guidelines on Corporate Governance.
3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the Listing Regulations and DPE guidelines on Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations and DPE guidelines on Corporate Governance during the year ended **March 31, 2022** subject to the following:
  - I. **Half of the board was not non-executive and no Woman Independent Director on its Board as required under Regulation 17(1)(a) of SEBI (LODR) Regulations, 2015 up to 30.11.2022.**
  - II. **Half of the board was not Independent as required under Regulation 17(1)(b) of SEBI (LODR) Regulations, 2015 and Para 3.1.4 of DPE Guidelines on Corporate Governance with regard to Composition of the Board of Directors up to 01.12.2022.**
  - III. **Requisite number of directors (not less than six directors) on its Board as required under Regulation 17(1)(C) up to 29.11.2022 and required quorum (including at least one independent director) for the Board Meetings held up to 11.11.2021 as required under Regulation 17(2A) of SEBI (LODR), Regulations 2015.**
  - IV. **Two third members of the Audit committee were not Independent as required under Regulation 18(1)(b) of SEBI (LODR) Regulations, 2015 and Para 4.1.1 of DPE Guidelines on Corporate Governance with regard to Composition of the Audit Committee and the Chairperson of the Committee was not an Independent Director as required under Regulation 18(1)(d) of SEBI (LODR) Regulations, 2015 up to 04.01.2022.**
  - V. **All members of the of Nomination and Remuneration Committee were not non-Executive directors, 50% members of the Committee were not Independent as required under Regulation 19(1) of SEBI (LODR) Regulations, 2015 and Chairperson of the Committee was not an Independent Director as required under Regulation 19(2) of SEBI (LODR) Regulations, 2015 up to 04.01.2022. Further, there were only 2 directors in the Committee from 07.12.2021 to 04.01.2022.**

**VI. There was no independent director in Stakeholders Relationship Committee as required under Regulation 20(2A) of SEBI (LODR) Regulations, 2015 up to 04.01.2022.**

**VII. Non constitution of Risk Management committee as required under Regulation 21 of SEBI (LODR) Regulations, 2015.**

5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For Kumar Naresh Sinha & Associates  
Company Secretaries**

**CS Naresh Kumar Sinha  
(Proprietor)  
FCS: 1807; C P No.: 14984  
PR: 610/2019  
F.R.N: S2015UP440500  
UDIN: F001807D000779001**

**Place: Noida  
Date: 10.08.2022**

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members,  
The State Trading Corporation of India Limited  
Jawahur Vyapar Bhawan,  
Tolstoy Marg, New Delhi- 110001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **The State Trading Corporation of India Limited (CIN L74899DL1956G01002674)** (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

- A. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2022 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:
- B. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:
- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent applicable;
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable:
    - a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ['SEBI (LODR)'];
    - b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations 2018; **(No such event during Audit Period)**;
    - c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(No such event during Audit Period)**;
    - e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(No such event during Audit Period)**;
    - f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(No such event during Audit Period)**;
    - g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 **(No such event during Audit Period)**;
    - h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - i) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(No such event during Audit Period)**

- j) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulation, 1993 regarding the Companies Act, 2013 and dealing with the client to the extent of securities issued;
  - (vi) Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs), 2010 issued by Department of Public Enterprises ('DPE Guidelines').
  - (vii) Having regard to the compliance system prevailing in the Company, on the basis of Reports made by Auditors of the Company and the certificates received from the various Department by the Company Secretary Department, we report that the Company has generally complied with the provisions of those Acts that are applicable to company including, The Custom Act, 1962, etc., to the extent of their applicability to the Company.
- C. We have also examined compliance with the applicable clauses of the following:
- I. Secretarial Standards with regard to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
  - II. Listing Agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and the BSE.
- D. During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:
- (i) The composition of the Board was not in compliance with the provisions of Section 149(1) of the Act and Regulation 17(1)(a) of the SEBI (LODR) till 30.11.2021, Clause 3.1.4 of DPE Guidelines and Regulations 17(1)(b) of the SEBI (LODR) till 01.12.2021, Clause 3.1.2 of DPE Guidelines and 17(1)(c) of the SEBI (LODR) till 29.11.2021. Due to absence of Independent Director, quorum in Board meetings was not in compliance with the provisions under Regulation 17(2A) of the SEBI (LODR) from 639th Board Meeting till 644th Board Meeting.
  - (ii) The composition of the Audit Committee was not in compliance with the provisions of Section 177(2) of the Act, Regulations 18(1)(b) and 18(1)(d) of the SEBI (LODR), Clause 4.1.1 and 4.1.2 of DPE Guidelines from 01.04.2021 till 04.01.2022. The Committee was reconstituted by passing circular resolution on 05.01.2022 comprising of Four Independent Directors. Due to absence of Independent Directors on the Board, quorum was not in compliance with the provisions under Clause 4.4 of DPE Guidelines and Regulation 18(2)(b) of the SEBI (LODR) from 98th to 102nd Audit Committee Meeting.
  - (iii) The composition of the Nomination and Remuneration Committee was not in compliance with the provisions under Clause 5.1 of DPE Guidelines, Regulations 19(1)(b), 19(1)(c) and 19(2) of the SEBI (LODR) from 01.04.2021 till 04.01.2022. The Committee was reconstituted by passing circular resolution on 05.01.2022 comprising of Four Independent Directors.
  - (iv) The composition of the Stakeholders Relationship Committee was not in compliance with the provisions under Regulations 20(2A) and 20(3) of the SEBI (LODR) from 01.04.2021 till 04.01.2022 as there was no Independent Director member of the committee. The Committee was reconstituted by passing circular resolution on 05.01.2022 comprising of Four Independent Directors.
  - (v) As per Regulation 21(1) SEBI (LODR) the Risk Management Committee has not been constituted during the Audit Period. As per the information and explanation provided by the management, the Company has constituted the Risk Management Committee on 23.06.2022 through resolution by circulation.
  - (vi) Performance evaluation of the directors, as per Regulation 17(10) and 25(4) of SEBI (LODR) Regulations, 2015 was not carried out by the Company.
  - (vii) The Company has approved the Risk Management Policy, however, the Board did not periodically review and take remedial action to implement the Risk management plan.

**We further report that**

- I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors *except as enumerated in para D(a) above regarding Non-executive Directors, Independent Directors and Woman Director*. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- II. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- III. All decisions at Board Meetings and Committee Meetings are carried out by majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period, the Company had the following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.:

- a) In the view of the default by the company in paying due interest amount to the banks, Company was declared as nonperforming asset (NPA). The lender banks have initiated proceedings with Debt Recovery Tribunal (DRT) against the company. The memorandum of the OTS (MOTS) proposal with lender banks is in progress.
- b) The Board of Directors of Company on 05.04.2021 passed a resolution to continue business of Company as non-operative Company.

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

**For VAP & Associates  
Company Secretaries  
FRN: S2014UP280200  
Peer Review No: 1083/2021**

**Parul Jain  
Proprietor  
M. No. F8323  
CP No. 13901  
UDIN: F008323D000728526**

**Place: Ghaziabad  
Date: 02.08.2022**



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

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial record. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test check basis.
4. Our Audit examination is restricted only upto legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same.
5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.
6. The compliance by the Company of applicable financial laws such as direct and indirect tax laws has not been reviewed in this Audit since the same have been subject to review by statutory auditors and other designated professionals and the contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company.
7. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
8. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For VAP & Associates  
Company Secretaries  
FRN: S2014UP280200**

**Parul Jain  
Proprietor  
M. No. F8323  
CP No. 13901**

**Place: Ghaziabad  
Date: 02.08.2022**

## MANAGEMENT REPLIES TO THE SECRETARIAL AUDITOR'S COMMENTS FOR THE FINANCIAL YEAR 2021-22

S. No	Secretarial Auditor's observations	Reply
1	<p>The composition of the Board was not in compliance with the provisions of Section 149(1) of the Act and Regulation 17(1)(a) of the SEBI (LODR) till 30.11.2021, Clause 3.1.4 of DPE Guidelines and Regulations 17(1)(b) of the SEBI (LODR) till 01.12.2021, Clause 3.1.2 of DPE Guidelines and 17(1)(c) of the SEBI (LODR) till 29.11.2021.</p> <p>Due to absence of Independent Director, quorum in Board meetings was not in compliance with the provisions under Regulation 17(2A) of the SEBI (LODR) from 639th Board Meeting till 644th Board Meeting.</p>	<p>STC being a Govt. Company, the Directors (including Independent Directors) of the Company are appointed/nominated by Govt. of India through the Administrative Ministry i.e Ministry of Commerce &amp; Industry.</p> <p>Due to non-availability of Independent Directors( including one Woman Director) during the year 2021-22, the composition and quorum requirement of the Board/ Board Level Committees as well as the requirement of holding of meetings of Board/ Board Level Committees as per SEBI (LODR) Regulation,2015 could not be fulfilled upto 30<sup>th</sup> November,2021.</p>
2	<p>The composition of the Audit Committee was not in compliance with the provisions of Section 177(2) of the Act, Regulations 18(1)(b) and 18(1)(d) of the SEBI (LODR), Clause 4.1.1 and 4.1.2 of DPE Guidelines from 01.04.2021 till 04.01.2022. The Page 3 of 5 Committee was reconstituted by passing circular resolution on 05.01.2022 comprising of Four Independent Directors.</p> <p>Due to absence of Independent Directors on the Board, quorum was not in compliance with the provisions under Clause 4.4 of DPE Guidelines and Regulation 18(2)(b) of the SEBI (LODR) from 98th to 102nd Audit Committee Meeting.</p>	<p>However, Ministry of Commerce &amp; Industry appointed 8 Independent Directors including one Woman Director on the Board of STC during the FY 2021-22.</p> <p>After the appointment of the Independent Directors on the Board of STC, the Board Level Committees including Audit Committee, Nomination, Remuneration Committee, CSR Committee and Stakeholder's Relationship Committee are reconstituted by passing resolution dated 05.01.2022 and the Risk Management Committee vide resolution dated 23.06.2022.</p>
3	<p>The composition of the Nomination and Remuneration Committee was not in compliance with the provisions under Clause 5.1 of DPE Guidelines, Regulations 19(1)(b), 19(1)(c) and 19(2) of the SEBI (LODR) from 01.04.2021 till 04.01.2022.</p> <p>The Committee was reconstituted by passing circular resolution on 05.01.2022 comprising of Four Independent Directors.</p>	<p>Further, the posts of CMD and Functional Directors are vacant except Director (Finance)-Additional Charge. The Administrative Ministry i.e Ministry of Commerce and Industry is being requested on regular basis for filling up the said posts in STC.</p>
4	<p>The composition of the Stakeholders Relationship Committee was not in compliance with the provisions under Regulations 20(2A) and 20(3) of the SEBI (LODR) from 01.04.2021 till 04.01.2022 as there was no Independent Director member of the committee.</p> <p>The Committee was reconstituted by passing circular resolution on 05.01.2022 comprising of Four Independent Directors.</p>	

5	<p>As per Regulation 21(1) SEBI (LODR) the Risk Management Committee has not been constituted during the Audit Period.</p> <p>As per the information and explanation provided by the management, the Company has constituted the Risk Management Committee on 23.06.2022 through resolution by circulation.</p>	
6	Performance evaluation of the directors, as per Regulation 17(10) and 25(4) of SEBI (LODR) Regulations, 2015 was not carried out by the Company.	Being a Govt. Company, Directors of the Company are appointed/ nominated by Govt. of India and performance evaluation are carried out by Administrative Ministry
7	The Company has approved the Risk Management Policy, however, the Board did not periodically review and take remedial action to implement the Risk management plan.	<p>In pursuance of direction of Ministry of Commerce &amp; Industry and decision taken by the Board in its meeting held on 10.11.2020, STC has stopped all new business activities.</p> <p>Subsequently, the Board also passed a resolution for STC to continue as a non-operative Company on 05.04.2021. Thus, need for review of Risk Management Policy did not arise.</p>

## Highlights: Ten Years at a Glance

(Rs. in Crore)

PARTICULARS	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
<b>Operating Results</b>										
<b>Sales</b>										
Exports	-	-	11.32	10.50	265.54	788.86	1,110.47	1,884.27	1,781.02	1,563.49
Imports	-	12.13	2,536.10	8,437.49	10,216.50	6,381.69	8,735.29	12,041.81	13,545.80	17,015.28
Domestic	-	234.51	382.55	445.24	343.00	581.61	633.40	471.13	47.16	119.73
<b>Total</b>	-	<b>246.64</b>	<b>2,929.97</b>	<b>8,893.23</b>	<b>10,825.04</b>	<b>7,752.16</b>	<b>10,479.16</b>	<b>14,397.21</b>	<b>15,373.98</b>	<b>18,698.50</b>
<b>Profits</b>										
Trading	-	4.84	8.64	14.92	26.06	35.03	33.11	101.64	182.84	118.53
Before tax	(48.60)	(51.23)	(113.63)	(897.12)	32.25	(148.37)	22.70	31.40	(492.38)	14.42
After tax	(93.97)	(51.23)	(113.63)	(881.08)	37.52	(165.54)	17.86	26.19	(492.20)	17.95
Overheads ( Note 1)	53.11	96.50	102.58	135.22	130.74	134.66	134.61	131.76	159.87	134.04
Interest Outgo (Net)	(7.85)	(7.76)	(22.83)	91.38	(90.18)	(78.23)	(75.31)	(55.74)	(30.04)	(69.88)
Dividend	-	-	-	-	-	-	-	-	-	12.00
<b>Net Worth</b>										
Share Capital	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00
Reserves	(257.57)	(169.20)	(121.51)	(8.64)	870.81	831.25	996.79	978.92	37.73	529.93
Less : Revaluation Reserve	884.60	884.60	884.60	884.60	884.60	872.05	884.62	897.51		
<b>Total</b>	<b>(1,082.17)</b>	<b>(993.80)</b>	<b>(946.11)</b>	<b>(833.24)</b>	<b>46.21</b>	<b>19.20</b>	<b>172.17</b>	<b>141.41</b>	<b>97.73</b>	<b>589.93</b>
Bank Borrowings	806.23	806.23	806.23	1,024.24	1,769.59	1,657.08	1,439.44	1,304.14	1,287.80	1,505.39
<b>Working Capital (Note 2)</b>										
Inventories	0.07	0.04	0.22	0.16	0.25	39.70	0.42	5.50	0.97	43.50
Trade Receivables	1,066.92	138.25	171.09	120.67	2,220.89	2,112.49	2,640.98	2,425.25	1,968.44	2,289.11
Other (Net)	(1,292.98)	(1,009.70)	(969.33)	(912.44)	(2,165.03)	(1,988.23)	(2,477.75)	(2,108.23)	(1,841.76)	(2,111.53)
<b>Total</b>	<b>(225.99)</b>	<b>(871.41)</b>	<b>(798.02)</b>	<b>(791.61)</b>	<b>56.11</b>	<b>163.96</b>	<b>163.65</b>	<b>322.52</b>	<b>127.65</b>	<b>221.08</b>
Capital Employed	(197.57)	(109.20)	(61.51)	51.36	930.81	891.25	1,056.78	1,038.71	97.42	589.62
<b>Significant Ratios</b>										
Trading Profit : Sales (%)	-	1.96	0.29	0.17	0.24	0.45	0.32	0.71	1.19	0.63
Profit Before Tax : Sales (%)	-	(20.77)	(3.88)	(10.09)	0.30	(1.91)	0.22	0.22	(3.20)	0.08
Profit Before Tax : Networth (%)	-	5.15	12.01	107.67	69.79	(772.76)	13.18	22.20	(503.82)	2.44
Sales:Capital Employed (Times)	-	(2.26)	(47.63)	173.15	11.63	8.70	9.92	13.86	157.81	31.71
Inventories : Sales (%)	-	0.02	0.01	0.00	0.00	0.51	0.00	0.04	0.01	0.23
Trade Receivables : Sales (%)	-	56.05	5.84	1.36	20.52	27.25	25.20	16.85	12.80	12.24
Overheads : Sales (%)	-	39.13	3.50	1.52	1.21	1.74	1.28	0.92	1.04	0.72

Note 1 : Overheads excludes Rent related expenditure from 2011-12 onwards

Note 2 : Excludes Non Current Items from 2011-12 onwards, and from FY 2021-22 onward, due to change in accounting policy on non-going concern basis, all the non-current assets and non-current liabilities have been grouped as current assets and current liabilities.

Note 3 : Figures from 2017-18 are as per IND-AS.





# **STANDALONE FINANCIAL RESULTS 2021-22**

# Independent Auditor's Report

## To Members of The State Trading Corporation of India Limited Report on the Audit of the Standalone Financial Statements

We have audited the accompanying standalone financial statements of The State Trading Corporation of India Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of changes in Equity and the Standalone Cash Flow Statement for the year then ended, notes to the Standalone financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "The Standalone Financial Statements").

**It is the first year in which the financial statements of the Company have been prepared on non-going concern basis as per decision of the Board of Directors meeting held on 05<sup>th</sup> April, 2021. Therefore, the current year figures are not comparable with that of previous year because accounts for FY 2020-21 were prepared on going concern basis and the same has not been reclassified.**

### Qualified Opinion

In our opinion and because of the various issues as mentioned in the Basis for Qualified Opinion paragraphs, the aforesaid Standalone Financial Statements except for the qualified opinion give the information required by the Companies Act 2013 ("the Act") in the manner so required and present a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rule 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2022 and its profit and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

### Basis for Qualified Opinion

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

- i. *We draw your attention to Note No. 2(ii) regarding management decision to continue the company as non-operating company for the time being and to prepare the accounts from the financial year 2021-22 onwards as per non-going concern basis. Thus, there has been change in the significant accounting policies of the Company and the presentation of financial statements.*

*As per Note No. 3.1 (e) in the Notes to accounts it is further stated that the financial statements for the year 2021-22 have been prepared on realization basis (non-going concern assumption) and the non-current assets have been classified as held for sale. Therefore, all the assets held for sale have been carried at their estimated realizable values. However, all the non-current assets held for sale i.e. Property, Plant and Equipment in absence of any report for realizable value have been stated at their respective historical values/carrying values as per books of accounts as on 31.03.2022 and not on realization basis. **This is non-compliance of the accounting policy No. 3(e) of the Company and we are unable to comment upon the impact of the same on the financial statements.***

*Further there is also non-compliance of requirements of IND AS-105.*

*As per IND AS-105, "Non -Current Assets held for Sale and Discontinued Operations", it requires that asset that meet the criteria to be held for sale should be measured at lower of carrying amount and fair value less costs to sell and to be separately presented in the Balance Sheet and also result of discontinued operations to be presented separately in the Statement of Profit and Loss.*

*However, no fair value estimation of the non-current assets held for sale have been carried out as on 31<sup>st</sup> March, 2022 but is said to be under process. Thus, there is also non-compliance of IND AS 105 applicable to the Company.*

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

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

- i. *Leasehold land at Jawahar Vyapar Bhawan valued at Rs. 55,929 lacs*
- ii. *Leasehold land at Housing Colony at Aurobindo Marg valued at Rs. 12,394 lacs*
- iii. *Plot at Mallet Bunder, Mumbai Port Trust valued at Rs. 1167 lacs*

## **b) Freehold Building**

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

Further, lease period for plot at Mallet Bunder, Mumbai Port Trust has already expired and the land has been handed over to Mumbai Port Trust. Surrender certificate has been executed on 12.11.2021. But this still continues to be shown as non-current assets held for sale. Thus, non-current assets held for sale has been overstated by Rs. 1167 lacs. It will also have consequential impact on the Statement of Profit and Loss account resulting into **understatement of loss by Rs. 1167 lacs.**

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

Further, company has not amortised the value of the leasehold properties according to the IND AS 116 for the period expired till 31.03.2022 resulting into overstatement of non-current assets held for sale and consequential impact on loss of the company, the amount whereof could not be quantified in absence of complete data from the Company.

- iii. Refer Note No. 4, for non-adjustment of value/area in Fixed Assets Register against areas acquired by Delhi Metro Rail Corporation (DMRC) for construction of Metro Station & by L&DO for widening of the Road during Asian Games, as well as the flats/area of land sold by the company to The Handicrafts and Handloom Exports Corporation of India Limited (HHEC) for its Housing colony. Management is in correspondence with DMRC and concerned departments.

This has resulted into overstatement of non-current assets held for sale and consequential impact on loss of the company, the amount whereof could not be quantified in absence of complete data from the Company.

## **2. Trade Receivables**

All trade receivables amounting to 1,69,419.41 lacs as per Note No. 9 have been outstanding for more than 3 years. The Company has made provision for bad and doubtful debts amounting to Rs. 62,727.62 lacs and another sum of Rs. 67,833.68 lacs have been shown as "Having Significant increase in credit risk" since the same is under litigation. As per Note No.9, it is explained that no provision has been made for the same since the relevant creditors will be paid only after recovery of these trade receivables, though in most of the cases agreements are not tripartite.

Further there has been no recovery during the Financial Year 2021-22 and there is no major update of legal cases which are pending at various forums. Thus trade receivable do not seems to be stated at realisable value less cost to be incurred to recover these trade receivables. There is also no balance confirmation available for these trade receivables as on 31.03. 2022 and hence we are unable to comment upon the genuineness and effect of the same on the financial statements, if any.

We are of the view that all trade receivables amounting to 1,69,419.41 lacs are considered doubtful of recovery resulting into short provision for doubtful debts amounting to Rs. 1,06,691.79 lacs. Thus the provision for bad and doubtful debts has been understated by Rs. 1,06,691.79 lacs and consequential impact on the statement of profit and loss account resulting into understatement of loss by Rs. 1,06,691.79 lacs.

Further in case of M/s Rajat Pharmaceuticals Ltd (RPL), under note no.39, who drew bills of exchange on STC which were accepted upon receipt of overseas buyer's pre-acceptance to STC's bills of exchange. However, the foreign buyers defaulted in making payments against the export bills and have gone into liquidation. A sum of Rs.527.86 crores has been admitted by the liquidator of one of the foreign buyer's i.e. Loben Trading Co. Pte. Ltd, Singapore. A Decree of Rs 62.47 crores approx. has been passed by Hon'ble Bombay High Court in favour of STC against the dues from another foreign buyer i.e Sweetland Trading Pte Ltd., Singapore. As of current date, RPL has gone into liquidation and official liquidator is appointed by Hon'ble High Court of Bombay. The matter is also under investigation by CBI. Banks & Financial institutions have filed legal suit against RPL before DRT making STC also a party to the case claiming Rs. 476.47 Crore. Also refer to Note No. 39, for matters other than RPL, as all these matters are sub-judice and/or under investigation of CBI and we are unable to comment upon the genuineness and effect of the same on the Financial Statements.



### 3. Borrowings

- i. Refer to Note No. 20 & 55, the view of the default by the company in paying due to interest amount to the banks, STC was declared NPA. The lender banks have initiated DRT proceedings against the company. The memorandum of the OTS (MOTS) proposal with lender banks is still in progress and is in line with the minutes of the high-level meeting held in 29.08.2019 and the further clarificatory letter dated 13.10.2020 of the Administrative Ministry. The liability towards banks is proposed to be settled by the way of transfer of title of identified property worth Rs.300 crore on "as is where is basis" as a full and final settlement.

However, as per the recent correspondence between Canara Bank (lead bank) and STC dated 22.04.2022, the lender bank has given two options to the latter: -

1. Execution of equitable mortgage in favour of the lead bank at Delhi so that lenders can legally proceed for sale of properties mentioned in the Settlement Agreement with the authority to sell and realise the sale amount.
2. As joint suit is pending before the DRT-II, Delhi, the lenders shall proceed before DRT in execution of the consent decree for the accepted OTS amount of Rs. 300 cr.

The decision making is pending with STC to convey their acceptance of suitable option for moving the MOTS ahead subject to seeking opinion from senior Government advocate. Pending settlement of OTS, the company has not provided any interest further in its financial statements during 2021-22.

- ii. Considering the fact that correspondence has been made by Canara Bank and STC in respect of the MOTS of Borrowings, the Borrowings have been crystallized at Rs. 30,000 lacs on as is where is basis. However, contrary to this, borrowings have been reflected at Rs. 80,623.24 lacs as against 30000 lacs, thereby overstating the borrowings to the extent of Rs. 50,623.24 lacs. The management is of the opinion that the matter is still in discussion stage.

This is also non-compliance of IND AS -109 as well as IND AS -10 (regarding events occurring after Balance Sheet date) by not taking into consideration the accounting effects of the events occurring after the balance sheet date regarding crystallization of bank loan amount at Rs. 30,000 lacs.

### 4. Foreign Currency Receivables and Payables

Currently, as per books of accounts, USD 3,149.35 lacs and Euros 20.90 lacs is receivable from its foreign buyers and USD 1665.41 lacs and Pound 0.04 lacs is payable to its foreign suppliers. In nutshell, there are foreign buyers and creditors standing in the financials of STC which have not been revalued in the FY 21-22, the potential impact of which is huge.

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

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

### 5. Deferred tax Assets (Net)

Refer Note No. 12 & 55, the Company has MAT credit of Rs. 1347.81 lacs. However, there is no virtual certainty of profits in the future considering the high value of contingent liabilities, significant decrease in the sales value, negative net worth of the Company and decision of the board of directors regarding Non operative status of the Company dated 05.04.2021. This observation was also raised by the CAG auditors for the FY 2020-21. But still the MAT credit has not been reversed and this has resulted into understatement of loss by 1347.81 lacs and overstatement of Current assets by Rs. 1347.81 lacs.

### 6. Other Current Assets

- i. Refer Note No. 14 – "Other Current Assets for non-provisioning in respect of Duties and taxes recoverable, CST (coal) amounting to Rs. 6.89 lacs which is non recoverable and still not written off.
- ii. Refer Note No. 11- Other Financial Assets -Claims Recoverable for non-provisioning in respect of Claims Recoverable o/s since last many financial years amounting to 1613.43 lacs where no present status could be ascertained by the management of the Company and still not written off.

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

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

This has resulted into overstatement of Current assets by Rs. 1769.15 lacs and understatement of loss by Rs. 1769.15 lacs.

#### **7. Provisions**

Refer Note No. 38, for non-provision of a demand of Rs. 4,743 lacs out of total demand received from Land and Development Office - New Delhi amounting to Rs. 13,283 lacs (for the period March, 2004 to July, 2018) which has resulted in understatement of loss by Rs 4,743 lacs and understatement of liabilities. However, it has been shown as contingent liability. Also, company has not provided for interest accruing on the said demand amount (to be calculated at the rate of 10%) approx. The matter is under correspondence with L&DO office and no provision is made for the year 2021-22 in the accounts.

#### **8. Trade Payables**

All the trade payables amounting to Rs. 1,11,960 lacs are without any balance confirmation and are outstanding for more than 3 financial years.

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

#### **9. Statutory Dues**

##### **GST**

The GST input receivable and payable balances are not reconciled by the Company as on March 31, 2022. No satisfactory data/explanation has not been furnished to us till the date of finalization of audit.

##### **Tax Deducted at Source**

In respect of the TDS deducted by the tenants, Company has not accounted for the TDS reconciled with

<b>Financial Year</b>	<b>Amount</b>
2021-22	14,680
2020-21	59,067
2019-20	1765
2018-19	17000
Prior years	8,39,824
<b>Total</b>	<b>9,32,925</b>

We are, therefore, unable to comment upon the effect of the above in the Financial Statements relating to GST and TDS reconciliations not carried out.

#### **1. Cash and Bank Balances**

It has been observed from the Form 26AS -downloaded from the Income tax portal that Interest income from Canara Bank amounting to ₹ 4,15,593 on which TDS amounting to Rs. 41,559 has been deducted by the Canara Bank is appearing in the AIS. However neither the Income nor the TDS Receivable is booked in the books of accounts as the management does not have any details regarding this fixed deposit.

Canara Bank has however informed on 26-05-2022 that this FDR does not belong to STC Limited. The matter is under correspondence and correction at the Bank level.

Therefore, we are not able to comment upon the effect of this non accounting of Interest received and TDS thereof on the financial statement in the absence of complete details regarding this fixed deposit.

#### **2. Other Observations**

Refer Note No. 24, customer at credit includes amount payable to U.P. Government amounting to Rs 603 lacs. As informed by the management, Branch has made various other claims on U.P Government

and accordingly dues of Rs. 3911 lacs is recoverable from U.P. Government for which debit note dated March 10, 2014 was raised. However, the said claim was not recognized in the standalone financial statements of the branch till date, as its ultimate collection was not certain. In absence of information on acceptability of the said claim by the UP Government, we are unable to ascertain its possible impact, if any, on the standalone financial statements of the Company.

It seems that the financial statements have not been prepared on realization basis as mentioned in the accounting policies. All non-current assets held for Sale and other current assets have been stated at their carrying amounts as appearing in the books of accounts without making any exercise by the management to determine the realizable value of each current asset.

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

- i. Refer to Cases and Disputes and matters under Litigation and amounts covered under Contingent Assets and Contingent Liabilities, since majority of the matters are subjudice, it is not possible to quantify the liabilities and the interest obligation if any on these cases.
- ii. Refer to Claims recoverable from HHEC, co-owner to the property at Jawahar Vyapar Bhawan, who have not paid their share of expenses to STC since last many years amounting to Rs. 728.31 lacs as on March 31, 2022. The matter is said to be under correspondence with HHEC.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for opinion.

**Emphasis of Matters:**

- a. Refer Note No. 38(ii), Contingent Liabilities which includes an amount of Rs. 1.33 Crores in respect of pending sales tax liability. The Company has not complied in carrying out corrective actions as suggested by Government Audit Party (GAP) for F.Y. 2014-15 in the accounts as on 31<sup>st</sup> March, 2016 and for F.Y. 2015-16 in the accounts as on 31<sup>st</sup> March, 2017 amounting to Rs. 0.19 Crores and Rs. 1.11 Crores respectively.
- b. Refers to Note No.38, in respect of litigation matters, their present status and provisioning, if any, required and on-going investigations into the alleged irregularities; further, the Company's past operations have exposed it to the risk of extensive litigation and contractual claims from third parties with increased litigation costs not fully provided for. Due to the range of potential outcomes, voluntary retirement of employees dealing with these cases and the significant uncertainty around the resolution of various claims, the amount of ultimate liabilities, if any, to be recorded in the statements as provision is not ascertainable.

Our opinion is qualified in respect of these above matters.

**Key Audit Matters:**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the basis for qualified opinion section, we have determined the matters described below to be the Key audit Matters to be communicated in our report.

S. No.	Particulars	Description	Procedures applied for audit
1	Evaluation of uncertain tax positions and contingent liabilities	The company has uncertain material tax positions and contingent liabilities including matters under dispute which involves significant judgment to determine the possible outcomes of these disputes.	In response to this key matter, our audit included, amongst other principal audit procedures: -We evaluated management's judgment of tax risks, estimates of tax exposures and contingencies by testing the design implementation and operating effectiveness of the related controls. -We obtained details of completed tax assessments and demands for the year ended March 31, 2022 from management. -We involved in the detailed discussions with the management for underlying assumptions in estimating the tax provisions and the possible outcome of the disputes. - Our team also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions as at March 31, 2022 to evaluate whether any change was required to management's position on these uncertainties.
2	IT systems and controls over Financial Reporting	We identified IT systems and controls over financial reporting as a key audit matter for the Company because its financial accounting and reporting systems are fundamentally reliant on IT systems and IT controls to record it in books. Automated accounting procedures and IT environment controls, which include IT governance, IT general controls over program development and changes, access to program and data and IT operations, IT application controls and interfaces between IT applications are required to be designed  and to operate effectively to ensure accurate financial reporting.	In response to this key matter, our audit included, amongst other principal audit procedures:  + Assessed the complexity of the IT environment by through discussion with the head of IT and internal audit and identified IT applications that are relevant to our audit. + Assessed the design and evaluation of the operating effectiveness of IT general controls over program development and changes, access to program and data and IT operations by engaging IT specialists. + Performed inquiry procedures at the Company in respect of the overall security architecture and any key threats addressed by the Company in the current year. + Assessed the design and evaluation of the operating effectiveness of IT application controls in the key processes impacting financial reporting of the Company by engaging IT specialists. + Assessed the operating effectiveness of controls relating to data transmission through the different IT systems to the financial reporting systems.

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

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

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

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

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

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

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Board of Directors are also responsible for overseeing the Company's financial reporting process. However it is to point out that there are no Full Time Working Directors in the Company as on 31<sup>st</sup> March, 2022 and the Company is functioning only with the assistance of Independent Directors and Director (Finance) on Additional Charge.

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

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

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

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

our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in the **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - i. We have sought and obtained all the information and explanations, except for the matters referred in "Basis for Qualified Opinion" - **Impact of which is partly non-ascertainable**, which to the best of our knowledge and belief were necessary for the purposes of our audit and if not, the details thereof and the effect of such information on the financial statements.
  - ii. In our opinion, proper books of account as required by law have been kept by the Company, except for the matters referred in "Basis for Qualified Opinion", so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the Agra branch which have been prepared in Delhi only.
  - iii. The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account. We have not visited any branch offices of STC as we were informed that all Branches are closed and no activities are carried out from these Branches. The audit was conducted remotely by us from Corporate Office of STC at New Delhi.
  - iv. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards, except for the para (b) of Basis for Qualified opinion, specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
  - v. The going concern matter described under "Material uncertainty in relation to Going Concern" paragraph above, in our opinion, may have an adverse effect on the functioning of the company.
  - vi. Pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Act are not applicable to the Company, being a Government Company;
  - vii. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". **Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.**
  - viii. Pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of

- Corporate Affairs, Government of India, provisions of Section 197 of the Companies Act, 2013, are not applicable to the Company, being a Government Company; and
- ix. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has not been able to disclose the impact of pending litigations on its financial position in its financial statements, refer note 38 & 39 to the financial statements.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. During the year, the Company has made no transfer to Investor Education and Protection Fund due to heavy accumulated losses. Therefore, question of delay in transferring amounts, required to be transferred, by the Company does not arise.
  - d. i) The respective Management of the Company, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, other than as disclosed in notes to accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ('Intermediaries') with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - ii) The respective Management of the Company, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ('Funding Parties') with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, whose financial statements have been audited under the Act, nothing has come to our attention that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e) as provided under (a) and (b) above, contain any material misstatement.
- e. There has been no dividend declared during the year.
  - f. The Company has not used such accounting software for maintaining its books of accounts which can record audit trail facility and thus the question of tampering with the feature of audit trail cannot be commented upon.
3. We are enclosing our report in terms of Section 143 (5) of the Act, on the directions and sub-directions issued by the Comptroller and Auditor General of India, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in **Annexure-C**.

**For BHATIA AND BHATIA**  
CHARTERED ACCOUNTANTS  
FRN No. 003202N of ICAI

**Sd/-**  
**(R. BHATIA) F.C.A.**  
Partner  
Membership No.017572  
UDIN:22017572AJTNDW6465

**Place: New Delhi**  
**Date: 27.05.2022**

## ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

**Referred to Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of Independent Auditor's Report of even date to the members of The State Trading Corporation of India Limited on the Standalone Financial Statements for the year ended 31st March 2022.**

### 1. Fixed Assets

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. (Assets held for Disposal). However, the records are in the process of being updated for the financial year under audit. Fixed Assets register is under finalization.
- b) The company has a Programme of conducting physical verification of items of fixed assets in a phased manner. The physical verification report of all branches have been received however Physical Verification report of Corporate office (New Delhi) is not provided by company .
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except for cases as below :

Location	Description	Held in the name of	Audit observations	Gross Block/ Revalued amount ( ` in Crore)	Net Block (in crore)
New Delhi	Lease hold Land at Tolstoy Marg, Jawahar Vayapar Bhawan, New Delhi. Area: 2.599 acres	President of India	Execution of lease deed is pending since 1975. Further, out of total area, physical position of land measuring 714.60 sq mtrs is not now with STC (i.e. 388.91 sq mtrs. acquired by DMRC for construction of Metro and 325.69 sq mtrs. by NDMC for widening of the Road during Asian Game) and value the same has not been uploaded in FAR / FAS. Measurement for area under physical position is yet to be done.	581.88	559.29
New Delhi	STC / MMTC Housing Colony, Aurobindo Marg, New Delhi Area: 16.17 acres	President of India	Execution of lease deed (for 50% share of total land measuring 32.33 acre) allotted for housing colony is still pending. Further, records / details for area given by STC from its own share to HHEC for its housing colony is to be adjusted in the FAR / FAS. Measurement for area under physical position of the company is yet to be done.	125.57	123.94
New Delhi	Flats at AGVC, Khel Gaon Marg, New Delhi. Area: 8 flats measuring 14424 sq fts	President of India	Execution of lease / conveyance deed is still pending.	27.45	27.20
Mumbai	7 nos. of Flats (refer foot note of note no.4 Area: 7997 sq fts	President of India	Execution of lease / conveyance deed is still pending.	29.35	19.18
Mumbai	Mallet Bunder Area: 11586.96 sq meters approx	President of India	Lease deed expired since 2016 and the company has surrendered the plot , certificate being executed on 12.11.2021	36.72	11.67



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

- d) According to the Information and explanations given to us and on the basis of the examination of the record of the Company, the Company has not revalued its Property, Plant and Equipment (now classified as "Assets held for disposal" or intangible assets or both) during the year.
- e) According to the Information and explanation given to us and on the basis of the examination of the record of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

#### **1. Inventories and Working Capital Limits**

Since the Company does not have any tradeable inventory, this item is not applicable.

However, the Company has stock of stationery/Stores and spares which does not have any significant value and has been physically verified by the Company.

- 2. According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, clauses (iii) (a), (b) & (c) of paragraph 3 of the Order are not applicable to the Company.
- 3. According to the information and explanations given to us, the Company has not given any loans, or made any investments or provided any guarantees or security to the parties covered under sections 185 and 186 of the Act. Accordingly, paragraph 3 (iv) of the Order is not applicable to the Company.
- 4. The Company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under. Thus clause (V) of Paragraph 3 of the order is not applicable to the Company.
- 5. We have been explained that the Central Government has not prescribed the maintenance of cost records for the services of the Company under Companies (Cost Records and Audit) Rules, 2014, prescribed by the Central Government under Section 148 of the Companies Act, 2013. Accordingly, this clause of the order is not applicable to the Company.

#### **6. Statutory Dues:**

- a) According to the information and explanations given to us and on the basis of our examination of the books of account, the company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales-tax, goods and service tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues which may be applicable to the Company. According to information and explanation given to us there are no outstanding undisputed statutory dues as referred above as at the last day of the financial year under audit for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and as per books of account, there are dues outstanding of Sales Tax, Wealth Tax, Custom Duty Excise Duty, Value Added Tax, Service Tax, Goods & Service Tax and Cess which have not been deposited as on 31st March 2022 by the company, on account of any dispute are as under (refer Note no.38(ii) in financial statements)

<u>Name of Statute</u>	<u>Nature of Dues</u>	<u>Period to which Amount relates</u>	<u>Forum where dispute is pending</u>	<u>Amount (in crores)</u>
<b>Income Tax</b>				
Income Tax Act	Income Tax	2015-16	ITAT, Delhi	0.04
<b>Sales Tax &amp; Custom Duty</b>				
Customs Act	Custom Duty	2011-12	CESTAT, Ahmedabad	1.69
Customs Act	Customs	-	Commissioner (Appeals), Mumbai	0.06
Custom Act	Custom Duty	2017-18	CESTAT, Chennai	4.16
Sales Tax	Sales Tax	1986-87	Kerala High Court	0.50
Orissa Sales Tax Act	Sales tax	1988-89	Commissioner (Appeals), Orissa	0.01
Bihar Sales Tax Act	Sales tax	1989-90	Sales Tax Appellate Tribunal	0.01
Central Sales Tax Act	CST, WB	2003-04	Joint Commissioner, Sales Tax	0.23
West Bengal Vat Act / Central Sales Tax Act	WBVAT	2011-12	Joint Commissioner, Commercial Tax	0.02
	CST, WB			
Central Sales Tax Act	Central Sales Tax Act	1993-94	Hon'ble Assam High Court	0.02
		1994-95		
		1995-96		
Maharashtra Sales Tax Act	Sales Tax	1992-93	Maharashtra Sales Tax Tribunal	0.74
		1996-97		
Maharashtra Sales Tax Act	BST, CST & MVAT	1993-94	Joint Commissioner, Sales Tax	47.69
		2000-01		
		2003-04		
		2006-07		
Maharashtra Sales Tax Act	BST, CST & MVAT	2004-05	Joint Commissioner, Sales Tax	390.36
		2009-10		
		2011-12		
Maharashtra Sales Tax Act	TDS on Work Contract	2012-13	Sales Tax Appellate Tribunal, Mumbai	0.21
TNGST/AST/CST	Sales Tax	1974-75, 1975-76, 1985-86 to 1987-88, 1989-90 & 1991-92	Hon'ble Madras High Court	0.83
<b>Service Tax</b>				
Finance Act, 1994	Service Tax	2005-06 - 2006-07	CESTAT (Stay Granted)	7.28
Finance Act, 1994	Service Tax	01.04.2012-31.03.2015	CESTAT	4.37
Finance Act, 1994	Service Tax	2007-08 -2016-17	CESTAT	6.02
Finance Act, 1994	Service Tax	01.04.2011-31.03.2012	Service Tax Appellate Tribunal	0.13
Finance Act, 1994	Service Tax	01.10.2004-31.03.2011	Supreme Court, Delhi	16.53
Finance Act, 1994	Service Tax	01.04.2015-30.06.2017	Joint Commissioner of CGST & Central Excise Mumbai	1.24
<b>Certificate Dues Liability</b>				
<b>BPDR</b>	Certificate Dues Liability	1971-72,1976-77 to 1978-79	Concerned Department	0.0633

8. The Company does not have any transactions to be recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
9. In our opinion and according to the information and explanations given to us, the company has defaulted in repayments of loans/borrowings to Bank (refer note no.20 & Basis of qualified opinion section of our audit report). However, the company has outstanding loans/ borrowing from financial institutions but not from Government or dues to debenture holders.

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

Name of Banks	Amount of Instalments and interest overdue	Period of Default as on 31.03.2022 (in days)
Syndicate Bank	280.71	1460 Days
Indian Overseas Bank	188.02	1460 Days
Union Bank of India	140.72	1491 Days
Indian Bank	94.81	1491 Days
Exim Bank	74.43	2007 Days
Bank of Baroda	26.27	1379 Days
UBI (Kumily)	1.28	1491 Days
<b>TOTAL</b>	<b>806.24</b>	

1. Based upon the audit procedures performed and the information and explanations given by the management,
  - a) the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
  - b) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year under review in terms of provisions of section 42 and Section 62 of the Companies Act, 2013.
2. i. According to the information and explanations given to us and as represented by the management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, frauds by the ex-employees of the Company have been noticed which are in litigation since last few years.
 

We are informed that there are 11 cases filed since last few years at various forums by CBI and other bodies involving fraud perpetrated by Staff of STC on others. No amount has been quantified by the Management as these cases are said to be subjudice.

  - ii. To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
  - i. No whistle blower complaints have been noticed to be received by the Company during the year.
3. As per notification no. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to the Government Companies. Accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.
4. The Company is not a Nidhi Company and therefore paragraph 3(xii) of the Order related to such Companies is not applicable to the Company.
5. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standard. (Refer Note No.47)

6. As per records of the company and according to information and explanations given to us by the management, the company has not entered into any non-cash transactions with directors or persons connected with them & hence the above clause is not applicable.
7. The company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934.
8. The Company has not incurred cash losses during the financial year covered by our audit but there were cash losses during the immediately preceding financial year.
9. Statutory Auditors of the Company are appointed by C&AG of India every year.
10. According to our view, Since the company has ceased its business operations and prepared the financial statements on a non-going concern basis, material uncertainty exists as on the date of audit report. There are a number of legal cases regarding trade receivables and the borrowings from bank amounting to Rs. 80,623 lacs which are NPAs since long indicating that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date.
11. Since the Company has huge accumulated losses and is not a going concern, it is not required to spend any amount on CSR and the question of any amount being transferred to Corporate Social Responsibility (CSR) does not arise. Therefore, reporting under the said clause (xx) of the order is not applicable to the Company.

**For BHATIA AND BHATIA**  
CHARTERED ACCOUNTANTS  
FRN No. 003202N of ICAI

**Sd/-**  
**(R. BHATIA) F.C.A.**  
Partner  
Membership No.017572  
UDIN: 22017572AJTNDW6465

**Place: New Delhi**  
**Date: 27.05.2022**

## **“Annexure B” to INDEPENDENT AUDITOR'S REPORT**

**Referred to Clause (vii) of Paragraph 2 under the heading of “Report on Other Legal and Regulatory Requirements” of Independent Auditor's Report of even date to the members of The State Trading Corporation of India Limited on the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2022.**

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

We have audited the internal financial controls over financial reporting of **The State Trading Corporation of India Limited** (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of un-authorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting (IFCFR)**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Basis for Qualified Opinion**

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

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

### **Qualified Opinion**

In our opinion, the Company has, except for effects of the material weaknesses described above on achievement objectives of the control criteria, in all material respects, an adequate internal financial controls system over financial reporting and such internal financials controls over financial reporting were operating effectively as at 31st March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal

Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have, to the extent possible, considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2022 standalone financial statements of the Company, and these material weaknesses are not likely to affect our opinion on the standalone financial statements of the Company.

**For BHATIA AND BHATIA**  
CHARTERED ACCOUNTANTS  
FRN No. 003202N of ICAI

**Sd/-**  
**(R. BHATIA) F.C.A.**  
Partner  
Membership No.017572  
UDIN: 22017572AJTNDW6465

**Place: New Delhi**  
**Date: 27.05.2022**

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

Referred to Paragraph 3 under the heading of "Report on Other Legal and Regulatory Requirements" of Independent Auditor's Report of even date to the members of The State Trading Corporation of India Limited on the Standalone Financial Statements for the year ended 31st March 2022.

1	Whether the company has system in place to process all the accounting transactions through IT System? If yes, the processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Company is maintaining "Performance Management System", Payroll Software and "Leave Management System" which are not interfaced with each other as well as the accounting software. As a result of above, Manual Accounting entries are being made on periodical basis in the Tally ERP Accounting software.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc., made by the lender to the company due to company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	<p>The company is in the process of "One time settlement" (OTS) with the Lender Banks for the dues of banks for which Company is in continuing default.</p> <p>The lender banks have initiated DRT proceedings against the company. The memorandum of the OTS (MOTS) proposal with lender banks is still in progress and is in line with the minutes of the high-level meeting held in 29.08.2019 and the further clarificatory letter dated 13.10.2020 of Ministry. The liability towards banks is proposed to be settled by the way of transfer of title of identified property worth Rs.300 crore on "as is where is basis" as a full and final settlement.</p> <p>However, as per the recent correspondence between Canara Bank and STC dated 22.04.2022, the lender bank has given two options to the latter:-</p> <ol style="list-style-type: none"><li>1. Execution of equitable mortgage in favour of the lead bank at Delhi so that lenders can legally proceed for sale of properties mentioned in the Settlement Agreement with the authority to sell and realise the sale amount.</li></ol>



		<p>2. As joint suit is pending before the DRT-II, Delhi, the lenders shall proceed before DRT in execution of the consent decree for the accepted OTS amount of Rs. 300 cr.</p> <p>The decision making is pending with STC to convey their acceptance of suitable option for moving the MOTS ahead.</p> <p>Pending settlement of OTS, the company has not provided any further interest in its financial statements for the current year 2021-22.</p>
3	<p>Whether the fund received/receivable for specific schemes from Central/State agencies were properly accounted for/ utilized as per its terms and condition? List the cases of deviation.</p>	<p>As per information &amp; explanation given to us, the Company has not received any fund under any scheme of the Central/State Government during the year under report.</p>

**For BHATIA AND BHATIA**  
**CHARTERED ACCOUNTANTS**  
FRN No. 003202N of ICAI

**Sd/-**  
**(R. BHATIA) F.C.A.**  
Partner  
Membership No.017572  
UDIN: 22017572AJTNDW6465

**Place: New Delhi**  
**Date: 27.05.2022**

## COMPLIANCE CERTIFICATE

We have conducted the audit of Standalone Ind AS financial statements of The State Trading Corporation of India Ltd. for the year ended March 31, 2022 in accordance with the directions / sub-directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013 and certify that to the best of our knowledge and belief we have complied with all the directions/sub-directions issued to us.

**For BHATIA AND BHATIA**  
CHARTERED ACCOUNTANTS  
FRN No. 003202N of ICAI

**Sd/-**  
**(R. BHATIA) F.C.A.**  
Partner  
Membership No.017572  
UDIN: 22017572AJTNDW6465

**Place: New Delhi**  
**Date: 27.05.2022**

# Balance Sheet as at March 31, 2022

(Rs. Lacs)

Particulars	Note No	As at March 31, 2022	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	4	-	57,355.33
(b) Capital work-in-progress	5	-	183.17
(c) Investment property	6	-	29,775.54
(d) Other intangible assets	7	-	0.80
(e) Financial Assets :			
(i) Investments	8	-	1.04
(ii) Trade receivables	9	-	92,869.50
(iii) Loans	10	-	1,387.03
(iv) Other Financial Assets	11	-	1,756.62
(f) Deferred tax assets (net)	12	-	8,648.53
(g) Other non-current assets	14	-	455.48
<b>Sub total</b>		<b>-</b>	<b>192,433.04</b>
<b>Current Assets</b>			
(a) Inventories	15	7.06	4.05
(b) Financial Assets :			
(i) Investments	8	1.04	-
(ii) Trade receivables	9	106,691.79	13,824.52
(iii) Cash & cash equivalents	16	2,842.15	8,642.32
(iv) Bank Balances other than (ii) above	17	-	-
(v) Loans	10	3,628.80	3,573.67
(vi) Other Financial Assets	11	24,620.70	13,413.23
(c) Tax Assets (Net)	13	2,310.97	3,187.48
(d) Other Current Assets	14	1,154.75	720.09
(e) Deferred tax assets (net)	12	1,347.81	-
(f) Non Current Assets held for Sale / Disposal		87,127.99	-
<b>Sub total</b>		<b>229,733.06</b>	<b>43,365.36</b>
<b>Total Assets</b>		<b>229,733.06</b>	<b>235,798.40</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	18	6,000.00	6,000.00
(b) Other Equity	19	(25,757.23)	(16,919.74)
<b>Sub total</b>		<b>(19,757.23)</b>	<b>(10,919.74)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	-	-
(ii) Trade payables -MSME		-	-
(iii) Trade payables -Others	21	-	96,864.52
(iv) Other Financial Liabilities	22	-	2,709.93
(b) Provisions	23	-	10,850.41
(c) Other non-current liabilities	24	-	604.03
<b>Sub total</b>		<b>-</b>	<b>111,028.89</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	80,623.24	80,623.24
(ii) Trade payables -MSME		-	-
(iii) Trade payables -Others	21	111,960.60	15,228.34
(iv) Other Financial Liabilities	22	39,677.68	33,932.64
(b) Provisions	23	16,306.99	5,482.13
(c) Other current liabilities	24	921.78	422.90
<b>Sub total</b>		<b>249,490.29</b>	<b>135,689.25</b>
<b>Total Equity and Liabilities</b>		<b>229,733.06</b>	<b>235,798.40</b>

Significant Accounting Policies and the accompanying notes 1 to 62 form an integral part of accounts.

As per our report of even date attached

**For Bhatia & Bhatia**  
Chartered Accountants  
Firm Reg. No. 003202N

**Sd/-**  
**(CA. R. Bhatia)**  
Partner  
M. No. 017572

Place: New Delhi  
Dated: 27.05.2022  
UDIN : 22017572AJTNDW6465

**Sd/-**  
**(K.K. Gupta)**  
Director Finance -MMTC  
Additional Charge of STC,  
DIN -08751137"

**Sd/-**  
**(VIPIN TRIPATHI)**  
Company Secretary  
ACS -29378

**Sd/-**  
**(S.K CHAWLA)**  
Independent Director  
DIN -09400987

**Sd/-**  
**(B S Rao)**  
CFO

# Statement of Profit and Loss for the year ended March 31, 2022

(₹ Lacs)

Particulars	Note No	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
I) Revenue from Operations	25	-	24,981.17
ii) Other Income	26	7,735.64	5,748.10
<b>Total Income</b>		<b>7,735.64</b>	<b>30,729.27</b>
Expenses			
i) Cost of materials consumed	27	-	-
ii) Purchases of Stock in trade	28	-	24,475.22
iii) Change in Inventory	29	-	10.44
iv) Employees' Benefit Expenses	30	4,090.70	8,164.51
v) Finance Cost	31	194.09	193.36
vi) Depreciation & Amortization Expenses	32	-	1,588.20
vii) Other Expenses	33	1,220.65	1,495.50
<b>Total expenses</b>		<b>5,505.44</b>	<b>35,927.23</b>
Profit before exceptional items and tax		2,230.20	(5,197.96)
Exceptional Items -Expense/(Income)	34	7,089.93	(74.50)
<b>Profit Before Tax</b>		<b>(4,859.73)</b>	<b>(5,123.46)</b>
Tax expense	35		
(i) Current tax	-	-	
(ii) Tax related to earlier years		(2,763.77)	-
(iii) Deferred tax		7,300.72	-
<b>Profit for the Year from continuing operations</b>		<b>(9,396.68)</b>	<b>(5,123.46)</b>
Profit/(loss) from discontinued operations		-	-
Tax expense of discontinued operations		-	-
Profit from discontinued operations after tax		-	-
<b>I Profit for the Year</b>		<b>(9,396.68)</b>	<b>(5,123.46)</b>
<b>II Other Comprehensive Income</b>			
i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans		559.20	352.54
Less: Income Tax on Above	-	-	
ii) Items that will be reclassified to profit or loss		-	-
Other Comprehensive Income		559.20	352.54
<b>Total Comprehensive Income for the Year</b>		<b>(8,837.48)</b>	<b>(4,770.92)</b>
Earnings per equity share :			
(1) Basic		(14.73)	(7.95)
(2) Diluted		(14.73)	(7.95)

Significant Accounting Policies and the accompanying notes 1 to 62 form an integral part of accounts.

**As per our report of even date attached**  
**For Bhatia & Bhatia**  
 Chartered Accountants  
 Firm Reg. No. 003202N

**Sd/-**  
**(CA. R. Bhatia)**  
 Partner  
 M. No. 017572

**Place: New Delhi**  
**Dated: 27.05.2022**  
**UDIN : 22017572AJTNDW6465**

**Sd/-**  
**(K.K. Gupta)**  
 Director Finance -MMTC  
 Additional Charge of STC,  
 DIN -08751137

**Sd/-**  
**(VIPIN TRIPATHI)**  
 Company Secretary  
 ACS -29378

**Sd/-**  
**(S.K CHAWLA)**  
 Independent Director  
 DIN -09400987

**Sd/-**  
**(B S Rao)**  
 CFO

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

(₹ Lacs)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit /(Loss) Before Tax		(4,859.73)		(5,123.46)
Adjustment for:				
- Interest on loans				
- Depreciation	-		1,588.20	
- Net write back of Debts/Advances/claims/ Liabilities/Assets	6,518.61		(548.10)	
- Income/Expenditure relating to let out property	(6,495.07)		(4,490.56)	
- Interest Income on fixed deposits/Investments	(564.17)		(794.47)	
- Loss on sale of asset	0.04		1.40	
- Profit on sale of assets	(0.10)	(540.69)	(11.29)	(4,254.82)
<b>Operating Profit Before Working Capital Changes</b>		<b>(5,400.42)</b>		<b>(9,378.28)</b>
Adjustment for:				
-Trade and other receivables		8,042.10		(2,006.00)
-Inventories		(3.01)		18.00
-Trade and other payables		(2,823.25)		(8,081.00)
<b>Changes In Working Capital</b>		<b>(184.58)</b>		<b>(19,447.28)</b>
Income Tax Paid				
<b>Net Cash Generated/Used In Operating Activities (A)</b>		<b>(184.58)</b>		<b>(19,447.28)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>				
-Purchase of Fixed Assets		-		(236.00)
-Sale of Fixed Assets		10.47		43.80
-Proceeds Received from T-Bills/Deposits		(6,342.65)		9,176.20
-Interest received		564.17		795.30
-Let out properties (net)		6,495.07		4,491.10
<b>Net Cash From Investing Activities (B)</b>		<b>727.06</b>		<b>14,270.40</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>				
-Increase in loans		-		-
-Interest Paid				
<b>Net Cash From Financing Activities (C)</b>		<b>-</b>		<b>-</b>
<b>Net Increase/Decrease In Cash And Cash Equivalents (A+B+C)</b>		<b>542.48</b>		<b>(5,176.88)</b>
Reconciliation of Cash & Cash Equivalents				
Closing Cash & Bank Balances as per Balance Sheet		19,503.70		18,961.22
Opening Cash & Bank Balances as per Balance Sheet		18,961.22		24,138.10
<b>Cash &amp; Bank Balances as per Cash Flow Statement</b>		<b>542.48</b>		<b>(5,176.88)</b>
Cash & cash equivalents as per Balance Sheet*		19,503.70		18,961.22
Less : Non readily convertible Bank Deposits		16,661.55		10,318.90
Cash & cash equivalents as per cash flow statement		2,842.15		8,642.32
Cash & cash equivalents includes unpaid dividend		-		-

\* Refer note no. 11, 16 & 17

Significant Accounting Policies and the accompanying notes 1 to 62 form an integral part of accounts.

**As per our report of even date attached  
For Bhatia & Bhatia**

Chartered Accountants  
Firm Reg. No. 003202N

**Sd/-**  
**(CA. R. Bhatia)**  
Partner  
M. No. 017572

**Place: New Delhi**  
**Dated: 27.05.2022**  
**UDIN : 22017572AJTNDW6465**

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ACS -29378

**Sd/-**  
**(S.K CHAWLA)**

Independent Director  
DIN -09400987

**Sd/-**  
**(B S Rao)**  
CFO

## Statement of Changes In Equity for the year ended March 31, 2022

### (I) Equity Share Capital

(Rs. Lacs)

Particulars	No. of shares (in Lacs)	Face Value (Rs.)	Amount
<b>Balance as at April 1, 2021</b>	600	10	6,000
Change in share capital due to Prior Period error	-	-	-
<b>Restated balance as at April1, 2021</b>	600	10	6,000
Changes in share capital during 2021-22	-	-	-
<b>Balance as at March 31, 2022</b>	600	10	6,000

Particulars	No. of shares (in Lacs)	Face Value (Rs.)	Amount
<b>Balance as at April 1, 2020</b>	600	10	6,000
Change in share capital due to Prior Period error	-	-	-
<b>Restated balance as at April1, 2020</b>	600	10	6,000
Changes in share capital during 2020-21	-	-	-
<b>Balance as at March 31, 2021</b>	600	10	6,000

Particulars	Reserves and Surplus						Total
	General Reserve	Capital Reserve	Retained Earnings	Exchange Fluctuation Reserve	Bonus Reserve	Revaluation Reserve	
<b>Balance at April 1, 2021</b>	5,987.16	100.00	(112,116.94)	649.53	0.33	88,460.18	(16,919.74)
Change in share capital due to Prior Period error	-	-	-	-	-	-	-
Restated balance as at April1, 2021	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	(8,837.49)	-	-	-	(8,837.49)
Any Other Charges	-	-	-	-	-	-	-
<b>Balance at March 31, 2022</b>	5,987.16	100.00	(120,954.43)	649.53	0.33	88,460.18	(25,757.23)
<b>Balance at April 1, 2020</b>	5,987.16	100.00	(107,347.71)	649.53	0.33	88,460.18	(12,150.51)
Change in share capital due to Prior Period error	-	-	-	-	-	-	-
Restated balance as at April1, 2020	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	(4,769.23)	-	-	-	(4,769.23)
Any Other Charges	-	-	-	-	-	-	-
<b>Balance at March 31, 2021</b>	5,987.16	100.00	(112,116.94)	649.53	0.33	88,460.18	(16,919.74)

**As per our report of even date attached  
For Bhatia & Bhatia**  
Chartered Accountants  
Firm Reg. No. 003202N

**Sd/-  
(K.K. Gupta)**  
Director Finance -MMTC  
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**Sd/-  
(VIPIN TRIPATHI)**  
Company Secretary  
ACS -29378

**Sd/-  
(B S Rao)**  
CFO

**Place: New Delhi  
Dated: 27.05.2022  
UDIN : 22017572AJTNDW6465**

# Accounting Policy for STC, effective from FY 2021-22 onwards

## Assumption: Non-going concern

### 1. Corporate Information:

The State Trading Corporation of India Ltd. (STC) is a public limited company registered in India under the provisions of Companies Act applicable in India. Its shares are listed in two recognised stock exchanges in India. The registered office of the company is located at Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi- 110001. The Company has been engaged in the Trading Business i.e., import and export in bulk commodities of rice, wheat, sugar, pulses, edible oils, fertilisers, coal, bullion, etc., on behalf of Government/s or Private parties.

### 2. Basis of Preparation of Financial statement:

#### i) Statement of Compliance:

The financial statements have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules comply in all material aspects with the relevant provisions of the Companies Act 2013 and other accounting principle generally accepted in India.

#### ii) Basis of measurement:

Consequent upon the decisions taken in the meeting held on 29.08.2019, by the administrative ministry and further decision of the Board in its 639<sup>th</sup> meeting dated 05.04.2021, it has been resolved that STC to continue as a non-operating company for the time being and to prepare the accounts from the F.Y. 2021-22 onward on non-going concern basis. Appropriate changes to reflect this have been made in the Significant Accounting Policies and presentation of the financial statements.

#### iii) Critical Accounting Estimates/Judgements:

In preparing these standalone financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates where necessary are recognized prospectively.

Significant areas of estimation and judgments (as stated in the respective Accounting Policies) that have the most significant effect on the Financial Statements are as follows:

- a. Impairment of Assets.
- b. Measurement of useful life and residual values of property, plant and equipment and the assessment as to which components of the cost may be capitalized.
- c. Recognition and measurement of defined benefit obligations.
- d. Measurement of Fair Values and Expected Credit Loss (ECL)
- e. Judgment is required to ascertain whether it is probable or not that an outflow of resources embodying economic benefits will be required to settle the taxation disputes and legal claim.

#### iv) Operating cycle & classification of Current & Non-Current:

The Company had been in Trading Business, and there was no specific operating cycle; however, 12 months period has been adopted as "the Operating Cycle" in-terms of the provisions of Schedule III to the Companies Act 2013. Accordingly, current liabilities and current assets include the current portion of non-current financial liabilities and assets. Considering the administrative ministry and the Board's decision there will be no further business activities except the pending contracts and in so far as may be required to realise the assets and settle the liabilities. Therefore, from Financial Year 2021-22 onwards, a general Operating Cycle of 12 months has been adopted.

#### v) Functional Currency:

The standalone financial statements are presented in Indian Rupee (INR) which is company's presentation and functional currency, and all values are in nearest Crores (up to two decimal) unless otherwise stated.

### 3. Significant Accounting Policies:

#### 3.1. Property, Plant & Equipment (PPE):

- a) Till the FY 2020-21, the cost of an item of PPE was being recognized as an asset if it were probable that future economic benefits associated with the items will flow to the company and the cost of the item can be measured reliably.
- The cost of an item of PPE is comprised of:
- i. Purchase price, including import duties and non-refundable purchase taxes, after deducting tax recoverable, trade discounts and rebates.
  - ii. Costs directly attributable to bringing the PPE to the location and condition necessary for it to be capable of operating in the manner intended by management.
  - iii. Initial estimate of the costs of dismantling and removing the item and restoring the site on which it was located, the obligation for which the company incurred either when the PPE was acquired or as a consequence of having used the PPE during a particular period for purposes other than to produce inventories during that period.
- b) Subsequent expenditure related to an item of PPE was added to its book value only if it increased the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing items of PPE, including day-to-day repair and maintenance expenditure, were charged to the statement of profit and loss for the period during which such expenses were incurred.
- c) Gains or losses arising from de-recognition of items of PPE were measured as the difference between the net disposal proceeds and the carrying amount of the asset and were recognized in the statement of profit and loss when the asset was derecognized.
- d) The company has elected to continue with carrying value of PPE from the date of transition.
- e) The financial statements for the year 2021-22 have been prepared on realization basis and the assets have been classified as "Held for Sale". It is probable that future economic benefits associated with the PPEs will not flow to the company in the normal course of business. Therefore, the PPEs have been carried based at their estimated realisable values. Any decrease in the carrying amount owing to such estimates have been charged to revaluation reserve to the extent the reserve created for the respective asset. The difference over and above the revalued amount is recognised in Statement of Profit or Loss under other comprehensive income.

### **3.2. Intangible Assets:**

- a) Till FY 2020-21 all identifiable intangible assets were recognized when the company controlled the asset, it was probable that future economic benefits expected with the respective assets will flow to the company for more than one economic period, and the cost of the asset could be measured reliably.
- b) Intangible assets acquired separately were measured on initial recognition at cost. Cost comprised purchase price, import duties, non-refundable purchase tax, after deducting tax recoverable, trade discount, rebate, and any cost directly attributable to bringing the asset to location and condition necessary for it to be capable of operating in the manner intended by Management. Following initial recognition, intangible assets were carried at cost less accumulated amortization and accumulated impairment losses, if any.
- c) All Intangible Assets (Computer Software's) were stated at carrying value from the date of transition.

The financial statements for the year 2021-22 have been prepared on realization basis and the assets have been classified as "Held for Sale". It is probable that future economic benefits associated with the Intangible Assets will not flow to the company in the normal course of business. Therefore, the Intangible Assets have been carried based at their estimated realisable values. Any change in the carrying amount owing to such estimates has been charged to revaluation reserve to the extent the reserve was created for the respective asset. The difference over and above the revalue amount is recognised in Statement of Profit or Loss under other comprehensive income.

### **3.3. Investment Property:**

Investment Properties are properties held to earn rentals and / or for capital appreciation. Till FY 2020-21, Investment properties were being measured initially at cost including transaction cost. Subsequently, Investment property was being stated at cost less accumulated depreciation and impairment losses, if any. Depreciation was being provided as per policy of the company for the same. Any gain or loss on disposal was being recognized in Statement of Profit & Loss.

The financial statements for the year 2021-22 have been prepared on realization basis and the assets have been classified as "Held for Sale". It is probable that the company may not be able to earn rentals



in the normal course of business. Therefore, the Investment Properties have been carried based at the estimated realisable values. Any decrease in the carrying amount owing to such estimates has been charged to revaluation reserve to the extent the reserve was created for the respective asset. The difference over and above the revalue amount is recognised in Statement of Profit or Loss under other comprehensive income.

### 3.4. Depreciation / Amortization:

Till FY 2020-21, Depreciation was provided on Straight Line Method over the useful life of assets as per Schedule II of Companies Act 2013, keeping a residual value of 5% of the original cost except for the assets in mentioned below:

- i. Intangible items were depreciated / amortized over a period of 2.5 years.
- ii. Land on perpetual lease was not amortised.
- iii. In case, life was not prescribed under Schedule II of the Companies Act, the same was determined by technically qualified person and approved by the Board of Directors keeping a residual value of 5% of the original cost. The details of such assets & estimated useful life are as under:

S. No.	Description of Assets	Estimated Life in
1.	<b>Components :HVAC Plant:-</b>	
a)	<b>Chiller Unit</b>	<b>15</b>
b)	<b>Piping Work</b>	<b>15</b>
c)	<b>Air handling work</b>	<b>10</b>
d)	<b>Other components</b>	<b>15</b>

- iv. Lease hold assets were amortised over the lease period.

Depreciation method, useful lives, and residual value were reviewed by the management at each year end.

The financial statements for the year 2021-22 have been prepared on realization basis and PPEs and Intangible Assets have been classified as "Held for Sale". Hence no depreciation shall be charged on the same and impairment owing to such re-classification has been charged to revaluation reserve to the extent the reserve was created for the respective asset. The difference over and above the revalued amount is charged to profit or loss.

Land on perpetual lease have been revalued, based on the legal rights of the Company in case of termination, and any change in carrying amount has been charged to revaluation reserve to the extent the reserve was created for the respective asset. The difference over and above the revalued amount is charged to profit or loss.

### 3.5. Impairment of Non-Financial Assets:

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

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

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

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

### 3.6. Leases:

W.e.f. 01.04.2019, Ind AS 116 "Leases" was applicable for accounting of leases: -

#### 1. As a Lessee: -

##### a. Right to use asset: -

- Initial Recognition and treatment– on the date of commencement of lease, the right of use (ROU) asset is measured at present value of lease payments discounted at the interest rate implicit in the incremental borrowing rate.
- Subsequent measurement and treatment- The ROU asset is depreciated as per the depreciation requirements in Ind AS 16 Property, Plant & Equipment. If the ownership is transferred by the company at the end of the lease term or if there is a certainty that the purchase option is exercised by the company, the ROU asset is depreciated over the useful life of the asset. In any other case, the ROU asset is depreciated over the useful life of the asset or the lease term whichever is shorter. Depreciation on the ROU asset is reflected as a charge in the profit & loss account.
- The financial statements for the year 2021-22 have been prepared on realization basis. It is probable that the assets taken on lease by Company may be surrendered within 12 months from the balance sheet date. Therefore, estimated lives of the ROU asset have been re-estimated and depreciation re-calculated accordingly. Any change in the Accumulated Depreciation owing to such re-estimation has been recognised in profit or loss.

##### b. Lease Liability: -

- Initial Recognition and treatment– on the date the of commencement of lease, the company measures the lease liability at present value of lease payments discounted at the interest rate implicit in the lease or the incremental borrowing rate.
- Subsequent measurement and treatment- The carrying amount of the lease liability will increase by the amount of interest accrued on the lease liability. The carrying amount will be reduced on account of the payments made towards the lease liability. The interest expense on lease liability, being a component of finance cost will be presented separately as a charge in the profit & loss account.

#### 2. As a Lessor: -

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

##### 1. Financial Lease: -

- i. Recognition of the asset- Assets held under financial lease are presented as a receivable at an amount equal to the net investment in the lease, increased / decreased by changes in the valuations done at regular intervals. Any increase / decrease in the valuations is recognised in the profit or loss account.
- ii. Recognition of the income- Finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the company's net investment in the lease.

##### 2. Operating Lease: -

- i. Recognition of the asset- Assets held under operating lease are capitalised in the books. The financial statements for FY 2021-22 have been prepared on a non-going concern basis. Therefore, such assets have been reinstated at the lower of net realisable value or the depreciated amount, whichever is lower.
- ii. Recognition of the income- The lease payments from operating leases shall have to be recognised as income on either a straight-line basis or another systematic basis. The lessor shall apply another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.
- iii. Recognition of expenses- the expenses associated with earning of lease income, like depreciation shall have to be recognised as expense.

### 3.7. Inventories:

Inventories are carried at lower of cost and net realizable value. Cost is determined as under:

- a) Inventories are valued at lower of net realisable value or the cost, whichever is lower.

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

### 3.8. Revenue Recognition:

IND AS 115 addresses the recognition of revenue from customer contracts and impacts on the amounts and timing of the recognition of such revenue.

Revenue from sale of goods, commodities and any other products are recognised when all following conditions are satisfied:

- i. Neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold is retained.
- ii. Significant risk and rewards of ownership of the goods have been transferred to the buyer.
- iii. The amount of revenue is measured reliably.
- iv. It is probable that the economic benefits associated with the transactions will flow to the company.
- v. The cost incurred or to be incurred in respect of transaction can be measured reliably.
- vi. If there are any trade discounts and volume rebate, with respect to revenues from the sale products and commodities are deducted from revenues.
- vii. Revenues are measured at fair value of consideration received or recoverable.

#### a) Revenue from Operating Activities:

- Revenues from operating activities include revenues relating to various trading transactions in which the company acts as principal, carries commodity inventories. These revenues are mainly from sale of fertilisers, food grains, metals and other products.
- **Margins on Operating Transactions:** Margins on operating transactions also include revenue from various trading activities in which company acts as a principal or an agent. Through its trading activities, the company facilitates its customers' purchase and sale of commodities/bullion and other products and charge a fixed margin as agreed.
- The company also facilitates conclusion of the contracts between suppliers / manufacturers and customers and delivery of the products between suppliers and customers. Revenue from such activities is recognised when the contracted services are rendered / goods are supplied to third parties / customers pursuant to the agreements.

IND AS 115 introduced a five-step approach to revenue recognition – identifying the contract; identifying the performance obligations in the contract; determining the transaction price; allocating that transaction price to the performance obligations; and finally recognising the revenue as those performance obligations are satisfied.

#### i. Dividend and Interest Income

Dividend income is recognised when the company's right to receive dividend is established.

Interest income from financial assets is recognised using the effective interest rate (EIR) method.

#### ii. Claims

Claims (including interest on outstanding) are recognised at cost when there is a reasonable certainty regarding its ultimate collection.

#### iii. Revenue Recognition on Actual Realization

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

- a) export benefits
- b) interest realizable from the items handled on government account.

#### b) Foreign Currencies:

Transactions in foreign currencies are recorded at the exchange rate prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are

translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange difference which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalised as cost of assets. Additionally, exchange gains or losses on foreign currency borrowings taken prior to April 11, 2016 which are related to the acquisition or construction of qualifying assets are adjusted in the carrying cost of such assets.

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

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

**c) Borrowing Costs:**

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

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

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

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

**d) Employee Benefits:**

i. Short term employee benefits expected to be paid are recognised at their undiscounted amount in the accounting period in which they are incurred keeping the basis of estimates for actuarial calculation on non-going concern basis.

ii. Post-retirement benefits:

**a. Defined contribution plan:** Employees' benefit, under defined contribution plan comprising of provident fund (administered through separate trust) and pension fund (administered through defined contribution to LIC) are recognised based on the undiscounted obligation of the company to contribute to the plan in the period in which the employee renders the related service. The same is paid to funds administered through separate trust.

**b. Defined Benefit plan:**

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

ii. Liability towards post-retirement medical benefit is provided based on actuarial valuation as at the year end.

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

**e) Financial Instruments:**

Non derivative financial instruments

Non derivative financial instruments consist of:

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

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

### Initial recognition

Non derivative financial instruments are recognised initially at fair value including any directly attributable transaction costs. Financial assets are derecognised when substantial risks and rewards of ownership of the financial assets have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognised only when the company has not retained control over the financial assets.

### Subsequent measurement

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

i. Cash and cash equivalents

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

ii. Investments in liquid mutual funds, equity securities (other than subsidiaries, joint ventures, and associates) are valued at their fair value. These instruments are measured at fair value and changes therein, other than important losses, are recognised in statement of profit and loss and presented with in equity, net of taxes. The impairment losses, if any, are reclassified from equity into statement of income. When an available for sale financial asset is derecognised, the related cumulative gain or loss recognised in equity is transferred to the statement of income.

iii. Loans and receivables

loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current financial assets. Loans and receivables are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade receivables, unbilled revenues, and other assets.

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

iv. Security deposits

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

v. Trade and other payables:

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

vi. Investment in subsidiaries, associates and joint ventures:

The Company accounts investment in subsidiary, joint ventures, and associates at cost. An entity controlled by the Company is considered as a subsidiary of the Company. Investments in subsidiary companies outside India are translated at the rate of exchange prevailing on the date of acquisition. Investments where the Company has significant influence are classified as associates. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is neither control nor joint control over these policies. A joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arranged is classified as joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities required unanimous consent of the parties sharing control.

### Impairment of financial assets

Financial assets, other than those at Fair Value through Profit and Loss (FVTPL), are assessed for the indicators of impairment at the end of each reporting period. Financial assets are impaired when there

is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. For available for sale (AFS) equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

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

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

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on individual basis. Objective evidence of impairment for a portfolio of receivables could include Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 0 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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

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

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

#### De-recognition of financial assets

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

On the recognition of financial assets in its entirety, the difference between the assets carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

#### **f) Taxation:**

Tax expense: -

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

##### 1. Current Tax

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

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

- a. As a legally enforceable right to set off the recognised amounts and

- b. Intends either to settle on a net basis, over to realise the assets and settle the liability simultaneously.

## 2. Deferred tax

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

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that has been enacted or substantively enacted by the end of the reporting period.

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

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

### a) Provisions, Contingent Liabilities and Contingent Assets:

#### *General:*

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

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

#### *Contingent liabilities:*

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

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

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

#### *Contingent assets:*

Contingent assets are not recognised in the financial statements. Such contingent assets are assessed continuously and are disclosed in notes when the inflow of economic benefits become probable or if it is virtually certain that inflow of economic benefits will arise then such assets and the relative income will be recognised in the financial statements.

#### *Provision for doubtful debts/advances/claims*

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

### 3.9. Earnings per share:

The Basic earnings per equity is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the

company by the weighted average number of equity shares considered for deriving basic earnings per equity share and the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**3.10. Segment Information:**

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on their revenue growth and operating income.

The company has identified its operating segments as exports, imports and domestic. The asset and liability is used in companies business to any of the operating segments that are not identified are shown as unallocated assets/ liabilities.

**Sd/-**

**K K Gupta**

DIR-F –MMTC Additional Charge of STC

DIN – 08751137

**Sd/-**

**SK Chawla**

Independent Director

DIN - 09400987

**Sd/-**

**B S Rao**

CFO

**Sd/-**

**Vipin Tripathi**

Company Secretary ACS -29378

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

**For Bhatia & Bhatia**

Chartered Accountants

Firm Reg. No. 003202N

(CA. R. Bhatia)

Partner

M. No. 017572

**Place: New Delhi**

**Dated: 27.05.2022**

**UDIN : 22017572AJTNDW6465**



## Notes to accounts for the year ended March 31, 2022

### 4 Property, Plant and Equipment

(₹ Lacs)

Particulars	GROSS BLOCK			DEPRECIATION & AMORTIZATION			ACCUMMULATED IMPAIRMENT			NET BLOCK			
	Gross carrying value as at April 01, 2021	Additions	Disposal/ adjustments	Gross carrying value as at March 31, 2022	Accumulated depreciation as at April 01, 2021	Additions	Disposal/ (adjustments)	Accumulated depreciation as at March 31, 2022	As on April 01, 2021	Additions	Disposal/ adjustments	As at March 31, 2022	Carrying Value as at March 31, 2022
Tangible Assets -Freehold													
Land	990.29	-	990.29	-	-	-	-	-	-	-	-	-	-
Building	10,827.09	-	10,827.09	-	2,677.34	-	2,677.34	-	18.79	-	18.79	-	-
Plant & Machinery	1,040.07	-	1,040.07	-	334.67	-	334.67	-	-	-	-	-	-
Furniture & Fixtures	91.22	(5.05)	86.17	-	57.85	(3.44)	54.41	-	-	-	-	-	-
Motor Vehicle	91.98	-	91.98	-	54.67	-	54.67	-	-	-	-	-	-
Office Equipment	37.40	(0.01)	37.39	-	33.38	-	33.38	-	-	-	-	-	-
Computers, data processing units & communication equipment	79.25	(2.02)	77.23	-	65.92	(1.28)	64.64	-	-	-	-	-	-
Electrical Installations & Equipment	344.54	(3.37)	341.17	-	175.27	(2.05)	173.22	-	-	-	-	-	-
Other Assets held for Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (A)	13,501.84	(10.45)	13,491.39	-	3,399.10	(6.77)	3,392.33	-	18.79	-	18.79	-	-
Tangible Assets -Leasehold													
Land	38,496.42	-	38,496.42	-	52.22	-	52.22	-	-	-	-	-	-
Building	9,903.18	-	9,903.18	-	1,577.81	-	1,577.81	-	-	-	-	-	-
Roads, culverts & sewerage etc	17.30	-	17.30	-	9.61	-	9.61	-	-	-	-	-	-
Plant & Machinery	338.54	-	338.54	-	174.10	-	174.10	-	-	-	-	-	-
Right to use (Ind AS 116)	349.79	-	349.79	-	20.13	-	20.13	-	-	-	-	-	-
Total (B)	49,105.23	-	49,105.23	-	1,833.87	-	1,833.87	-	-	-	-	-	-
Total (A+B)	62,607.07	(10.45)	62,596.62	-	5,232.97	(6.77)	5,226.20	-	18.79	-	18.79	-	-
Previous year	62,642.48	94.28	129.69	62,607.07	4,221.62	1,094.71	83.36	5,232.97	18.79	-	-	18.79	57,355.31

\* - Based on Accounting Policy on a non-going concern basis w.e.f 01.04.2021 all the assets previously grouped under Property, Plant and Equipment, Capital Work-in-progress, Investment Property & Intangible Assets are now transferred to " Non-Current Assets held for disposal" and are shown on Carrying Values as on 31.03.2021 as valuation of STC's immovable properties is under process. However as per last Valuation report, fair value as on 31.03.2020 based on current title is : JVB - Rs 75,675 lacs, STCHC- Rs 49,834 lacs & Others - Rs 29,652 lacs. In case of perpetual lease, Fair Market Value of JVB and Housing Colony is Rs. 2,61,183 lacs and Rs. 84,198 lacs respectively.

Title/Lease deed in respect of following properties is pending for execution:-

**i. Leasehold Land:-**

- Lease hold land includes land measuring 2.599 acres allotted by L&DO vide "Memorandum of Agreement for Lease" dated 05.12.1975 for construction of office building i.e. JawaharVyaparBhawan at Janpath, New Delhi for which lease deed is not yet executed in the name of the Company.
- Lease hold land includes land measuring 16.17 acre (50% share of total Land 32.33 acre allotted in the joint name of STC & MMTC) by erstwhile L&B Department/DDA vide Memorandum of Agreement dated 05.02.1968 for construction of Housing Colony at Aurbindo Marg, New Delhi. The lease deed demarcating 50% area of allotted leasehold land in the name of the company is not yet executed.
- Leasehold land includes a plot at Mallet Bunder, Mumbai Port Trust (where STC has a Tank Farm Installation) for which lease period has expired and the surrender certificate has been executed on 12.11.2021. The tanks installed at Mallet Bunder has been surveyed by the MbPT and assets handed over on as is where is basis with an understanding that the value of the same shall be adjusted and paid to STC. Hence, appropriate treatment will be effected upon arrival of such valuation.

**ii. Freehold Building:-**

- Freehold Building includes house building at Asian Games Village Complex (AGVC) allotted by DDA vide allotment letter dated 30.05.1984, which is earmarked for settlement under OTS on as is where is basis. The valuation of the properties is underway.
- Free hold building includes 7 apartments in Mumbai (Located 2 at Wallace Apartment Grant Road , 3 at Mandar Apartment, 1 at Shyamsadan at Khar (West) and 1 at Las Palmas, Malabar hills), which is earmarked for settlement under OTS on as is where is basis. The valuation of the properties is underway.

No Adjustment in respect of area and value has been made for following lands as the amount of compensation and execution of documents for this purpose are still pending:-

"325.685 square meters taken by NDMC for widening of roads during Asian Games and 388.91 square meters taken by DMRC for construction of Metro / Metro Station out of the total leasehold land allotted by L& DO to STC for construction of office building at (Jawahar Vyapar Bhawan) Tolstoy Marg, Janpath, New Delhi. The Company has taken up the matter with L&DO for reduction of both the area and the records will be updated in Fixed Assets register/Schedule in respect of its area & value once the final outcome in the matter is arrived at. The efforts are being made with L&DO in this regard on regular basis."

As approved in the 436th Board Meeting dated 12th August 1991 for the sale of "Office Space in the Jawahar Vyapar Bhawan Building" total Office Space measuring 67,418 sq.ft. were sold to CCIC & HHEC. Thus, CCIC and HHEC are co-owners limited to the property under their possession.

**Additional Regulatory Information as on 31.03.2022**

Title deeds of Immovable Properties not held in name of the Company						
Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (Rs in Lacs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company**
PPE		-	-	-	-	
Investment property						
Asset held for Sale/Disposal	Land & Building					
	Lease hold Land at Tolstoy Marg, Jawahar Vayapar Bhawan, New Delhi.	58,188	The President of India	Promoter	1975	
	STC / MMTC Housing Colony, Aurobindo Marg, New Delhi	12,557	The President of India	Promoter	1965	
	Flats at AGVC, Khel Gaon Marg, New Delhi.	2,745	The President of India	Promoter	1984	

Based on Accounting Policy on a non-going concern basis w.e.f 01.04.2021 all the assets previously grouped under Property, Plant and Equipment, Capital Work-in-progress, Investment Property & Intangible Assets are now transferred to " Non-Current Assets held for disposal" and are shown on Carrying Values as on 31.03.2021 as valuation of STC's immovable properties is under process.

## 5 Capital Work In Progress

(Rs. Lacs)

Particulars	Balance as at April 01, 2021	Additions/ (Adjustments) during the year*	Capitalized during the year	Balance as at March 31, 2022
Office Building	-	-	-	-
Plant & Equipment	53.77	(153.77)	-	-
Office Equipment	3.42	(3.42)	-	-
Others	-	-	-	-
Intangible Assets under Development	25.97	(25.97)	-	-
<b>Total</b>	<b>183.16</b>	<b>(183.16)</b>	<b>-</b>	<b>-</b>
<b>Previous Year (FY-2021-22) (Net)</b>	<b>45.42</b>	<b>140.85</b>	<b>3.10</b>	<b>183.17</b>

\* - According to Accounting Policy based on a non-going concern basis w.e.f 01.04.2021 all the assets previously grouped under "Capital Work-in-Progress" (CWIP) are now transferred to "Other Current Assets" as " Non Current Assets held for disposal". The assets have been transferred at their respective carrying values as on 31.03.2021.

## 6 Investment Property

(Rs. Lacs)

Particulars	FREEHOLD		LEASEHOLD		Total
	Land	Building	Land	Building	
<b>Gross carrying value as at April 1, 2021</b>	<b>1,614.20</b>	<b>401.37</b>	<b>20,404.66</b>	<b>9,771.64</b>	<b>32,191.87</b>
Additions	-	-	-	-	-
Disposal/adjustments*	1,614.20	401.37	20,404.66	,771.64	<b>32,191.87</b>
<b>Gross carrying value as at March 31, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Accumulated depreciation as at April 1, 2021</b>	<b>-</b>	<b>41.81</b>	<b>301.75</b>	<b>2,070.73</b>	<b>2,414.29</b>
Additions	-	-	-	-	-
Disposal/adjustments*	-	41.81	301.75	2,070.73	<b>2,414.29</b>
<b>Accumulated depreciation as at March 31, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Impairment as at April 1, 2021</b>	<b>-</b>	<b>2.03</b>	<b>-</b>	<b>-</b>	<b>2.03</b>
Additions	-	-	-	-	-
Disposal/adjustments*	-	2.03	-	-	<b>2.03</b>
<b>Impairment as at March 31, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Carrying Value as at March 31, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Previous Year (FY-2021-22) (Net)</b>	<b>1,614.20</b>	<b>357.53</b>	<b>20,102.90</b>	<b>7,700.91</b>	<b>29,775.55</b>

\* - Based on Accounting Policy on a non-going concern basis w.e.f 01.04.2021 all the assets previously grouped under Property, Plant and Equipment, Capital Work-in-progress, Investment Property & Intangible Assets are now transferred to " Non-Current Assets held for disposal" and are shown on Carrying Values as on 31.03.2021 as valuation of STC's immovable properties is under process. However as per last Valuation report, fair value as on 31.03.2020 based on current title is : JVB - Rs 75,675 lacs, STCHC- Rs 49,834 lacs & Others - Rs 29,652 lacs. In case of perpetual lease, Fair Market Value of JVB and Housing Colony is Rs. 2,61,183 lacs and Rs. 84,198 lacs respectively.

**Amounts recognized in the statement of profit & loss for investment properties**

Particulars	for the year ended March 31, 2022	for the year ended March 31, 2021
Rental income derived from Investment Properties	7,422.52	5,345.61
Direct operating expenses from property that generated rental income	(927.45)	(887.15)
<b>Profit from investment properties before depreciation</b>	<b>6,495.07</b>	<b>4,458.46</b>
Depreciation	-	(492.36)
<b>Profit from investment properties</b>	<b>6,495.07</b>	<b>3,966.10</b>

**7 Intangible Assets**

(Rs. Lacs)

Particulars	Computer Softwares	Others (specify Nature)	Total
<b>Gross carrying value as at April 1, 2021</b>	13.92	-	13.92
Additions	-	-	-
Disposal/adjustments	13.92	-	13.92
<b>Gross carrying value as at March 31, 2022</b>	-	-	-
<b>Accumulated amortisation as at April 1, 2021</b>	13.12	-	13.12
Additions	-	-	-
Disposal/adjustments	13.12	-	13.12
<b>Accumulated amortisation as at March 31, 2022</b>	-	-	-
<b>Carrying Value as at March 31, 2022</b>	-	-	-
<b>Previous Year (FY-2021-22) (Net)</b>	<b>0.80</b>	-	<b>0.80</b>

\* - According to Accounting Policy based on a non-going concern basis w.e.f 01.04.2021 all the assets previously grouped under "Intangible Assets" are now transferred to "Other Current Assets" as " Non Current Assets held for disposal". The assets have been transferred at their respective carrying values as on 31.03.2021.

## Notes to accounts for the year ended March 31, 2022

(Rs. Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>8 Investments</b>		
<b>Current</b>		
<b>Long Term</b>		
<b>Unquoted Investments</b>		
<b>Investment in Equity instrument ~ Subsidiary *</b>		
<b>STCL Limited (100% Holding)</b>		
1,50,000 (Fully paid up Equity shares of Rs. 100 each)	282.00	282.00
Less: Impairment in value of Investment	282.00	282.00
<b>Net</b>	-	
<b>Investment in Equity instrument ~ Joint Ventures **</b>		
<b>NSS Satpura Agro Development Company Ltd.</b>		
1,00,000 (Fully paid up Equity shares of Rs. 10 each)	10.00	10.00
Less: Impairment in value of Investment	10.00	10.00
<b>Net</b>	-	-
<b>Others</b>		
<b>Sea Lac Agro Ventures Limited</b>		
1,00,000 (Fully paid up Equity shares of Rs. 10 each)	10.00	10.00
Less: Impairment in value of Investment	10.00	10.00
<b>Net</b>	-	-
<b>Maharashtra Small Scale Industries Development</b>		
10,000 (Fully paid up Equity shares of Rs. 100/-each)	10.00	10.00
Less: Impairment in value of Investment	10.00	10.00
<b>Net</b>	-	-
<b>Andhra Pradesh Trade Promotion Corporation Limited</b>		
100 (Fully paid up Equity shares of Rs. 1000/-each)	1.00	1.00
Less: Impairment in value of Investment	-	-
<b>Net</b>	<b>1.00</b>	<b>1.00</b>
<b>Sindhu Resettlement#</b>		
4 (Fully paid up Equity shares of Rs. 1000/-each)	0.13	0.13
Less: Impairment in value of Investment	0.09	0.09
<b>Net</b>	<b>0.04</b>	<b>0.04</b>
<b>Total</b>	<b>1.04</b>	<b>1.04</b>

\* The union cabinet has approved in its meeting dated 13th August, 2013 for winding up of Subsidiary M/s. STCL Limited. Accordingly, the subsidiary has filed winding up petition on 26.11.2013 before Hon'ble High Court of Karnataka. However, the Bankers of Subsidiary has also filed petition (date) against such winding up petition as their dues are pending for recovery. The case is still pending before Hon'ble High Court of Karnataka. However, full amount of investment in the Subsidiary (100 % Subsidiary of STC) amounting to Rs. 282 lacs (Rs. 282 lacs) has been provided for (retaining a nominal value of Rs. 1/-) as the net worth of the subsidiary has been eroded completely.

\*\* Investment of Rs. 10 lacs (Rs. 10 lacs) in a Joint Venture Company (NSS Satpura Agro Development Co. Ltd.) has been fully provided for as the Net Worth of the Company has been eroded completely.

#Nominal Value of Rs. 4000/-

## Notes to accounts for the year ended March 31, 2022

(Rs. Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>9 Trade Receivables</b>		
<b>A Non Current</b>		
i. Secured ~ Considered good *	-	-
ii. Unsecured Considered good	-	29,839.96
iii. Having Significant increase in credit risk **	-	63,029.54
iv. Credit Impaired	-	61,668.97
<b>Sub-total</b>	<b>-</b>	<b>154,538.47</b>
Less : Allowance for bad and doubtful receivables	-	61,668.97
<b>Total (A)</b>	<b>-</b>	<b>92,869.50</b>
<b>B Current</b>		
i. Secured, Considered good *	-	-
ii. Unsecured Considered good	38,858.11	9,036.22
iii. Having Significant increase in credit risk **	67,833.68	4,788.30
iv. Credit Impaired	62,727.62	1,060.65
<b>Sub-total</b>	<b>169,419.41</b>	<b>14,885.17</b>
Less: Allowance for bad and doubtful debts	62,727.62	1,060.65
<b>Total (B)</b>	<b>106,691.79</b>	<b>13,824.52</b>
<b>Total (A)</b>	<b>106,691.79</b>	<b>13,824.52</b>
<b>Total (A+B)</b>	<b>106,691.79</b>	<b>106,694.02</b>

\*\* \*\* Out of the total trade receivable of Rs. 1,69,419.41 lacs includes Rs. 67,833.68 lacs "having significant increase in credit risk" being under dispute/litigation (for details of major legal cases refer note no. 39).

Trade receivables against which dispute/legal proceedings are under process, have been considered as "Having Significant increase in credit risk". The company feels that even if no amount would eventually be recovered, no credit impairment is required for the credit risk since the creditor will be paid by the company only to the extent the amount is realized from the debtors.

Particulars	Trade Receivables ageing schedule					
	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(I) Undisputed Trade receivables – considered good	-	-	-	-	9,018.15	9,018.15
(ii) Undisputed Trade Receivables–which have significant increase in credit risk	-	-	-	-	711.42	711.42
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	29,839.96	29,839.96
(v) Disputed Trade Receivables–which have significant increase in credit risk	-	-	-	-	67,122.27	67,122.27
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	62,727.62	62,727.62

## Notes to accounts for the year ended March 31, 2022

(Rs. Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>10 Loans</b>		
<b>Non-current</b>		
<b>A. Security Deposits</b>		
I. Secured, considered good	-	-
II. Unsecured, considered good	-	67.49
III. Having Significant increase in credit risk	-	1,073.54
IV. Credit Impaired	-	577.09
<b>Sub-total</b>	<b>-</b>	<b>1,718.12</b>
Less: Allowance for bad and doubtful Deposits	-	577.09
Less: Fair value Adjustment-SD	-	-
<b>Total (A)</b>	<b>-</b>	<b>1,141.03</b>
<b>B. Loan to Employees</b>		
I. Secured, considered good *	-	109.53
II. Unsecured, considered good	-	-
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	-	-
V. Interest accrued	-	264.19
<b>Sub-total</b>	<b>-</b>	<b>373.72</b>
Less: Allowance for bad and doubtful loans	-	-
Less: Fair value adjustments (Loans to employees)	-	127.72
<b>Total (B)</b>	<b>-</b>	<b>246.00</b>
<b>Total (A+B)</b>	<b>-</b>	<b>1,387.03</b>
<b>Current</b>		
<b>A. Security Deposits</b>		
I. Secured, considered good	-	0.01
II. Unsecured, considered good	3,262.21	3,472.39
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	7.13	-
<b>Sub-total</b>	<b>3,269.34</b>	<b>3,472.40</b>
Less: Allowance for bad and doubtful deposits	7.13	-
Less: Fair Value Adjustment-SD	-	0.03
<b>Total (A)</b>	<b>3,262.21</b>	<b>3,472.37</b>
<b>B. Loan to Employees</b>		
I. Secured, considered good *	99.98	32.67
II. Unsecured, considered good	6.20	6.79
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	-	-
Add: Interest accrued	260.41	63.80
<b>Sub-total</b>	<b>366.59</b>	<b>103.26</b>
Less: Allowance for bad and doubtful loans	-	-
Less: Fair value adjustments (Loans to employees)	-	1.96
<b>Total (B)</b>	<b>366.59</b>	<b>101.30</b>
<b>Total (A+B)</b>	<b>3,628.80</b>	<b>3,573.67</b>
* Secured against Hypothecation of motor car & house property		



## Notes to accounts for the year ended March 31, 2022

(Rs. Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>11 Other Financial Assets</b>		
<b>Non-current</b>		
<b>A. Term deposit with maturity more than 12 months :</b>		
- Term Deposit with Banks*	-	215.27
- Term Deposit with others	-	981.35
<b>(A)</b>	<b>-</b>	<b>1,196.62</b>
<b>B. Claims Recoverable</b>		
I. Secured, considered good	-	-
II. Unsecured, considered good	-	560.00
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	-	10,303.30
<b>Sub-total</b>	<b>-</b>	<b>10,863.30</b>
Less: Allowance for bad and doubtful claims	-	10,303.30
<b>(B)</b>	<b>-</b>	<b>560.00</b>
<b>C. Deposits</b>	-	-
<b>D. Other Misc. advance</b>		
<b>(D)</b>	<b>-</b>	<b>-</b>
<b>Total (A+B+C+D)</b>	<b>-</b>	<b>1,756.62</b>
<b>Current</b>		
<b>A. Interest accrued on:</b>		
- Term deposits with maturity more than 3 and upto 12 months	19.60	18.41
- Other Deposits (Flexi Deposits)	1,011.31	-
- Interest Accrued but not due on deposits/ T Bills	94.40	41.79
<b>B. Investment in Treasury Bills</b>	16,661.55	10,318.90
<b>Sub-total</b>	<b>17,786.86</b>	<b>10,379.10</b>
<b>C. Other</b>	-	-
<b>D. Claims Recoverable</b>		
I. Secured, considered good	152.43	152.43
II. Unsecured, considered good	5,593.09	2,881.70
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	2,949.40	-
<b>Sub-total</b>	<b>8,694.92</b>	<b>3,034.13</b>
Less: Allowance for bad and doubtful advances	2,949.40	-
<b>(D)</b>	<b>5,745.52</b>	<b>3,034.13</b>
<b>D. Security Deposits</b>		
I. Secured, considered good	-	-
II. Unsecured, considered good	14.78	-
iii. Having Significant increase in Credit Risk	1,073.54	-
iv. Credit Impaired	569.96	-
<b>Sub-total</b>	<b>1,658.28</b>	<b>-</b>
Less: Allowance for bad and doubtful advances	569.96	-
<b>(D)</b>	<b>1,088.32</b>	<b>-</b>
<b>Total (A+B+C+D)</b>	<b>24,620.70</b>	<b>13,413.23</b>
<b>Total (Other Financial Assets)**</b>	<b>24,620.70</b>	<b>15,169.85</b>
* Under Lien		
** For details on major cases refer note no. 39		

## Notes to accounts for the year ended March 31, 2022

(Rs. Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>12 Deferred tax assets (Net)</b>		
Deferred tax assets and liabilities are attributable to the following:		
<b>A. Deferred Tax Liability</b>	-	-
Property, plant and equipment	-	206.97
<b>Sub Total</b>	-	<b>206.97</b>
<b>B. Deferred tax Assets</b>		
Provisions	-	7,507.69
<b>Sub Total</b>	-	<b>7,507.69</b>
<b>C. MAT Credit Entitlement</b>	<b>1,347.81</b>	<b>1,347.81</b>
<b>Net Deferred Tax (Liabilities)/ Assets</b>	<b>1,347.81</b>	<b>8,648.53</b>

### Movement in deferred tax balances during the year ended 31.03.2022

Particulars	Balance as at April 01, 2021	Recognised in profit & loss
<b>Opening Balance</b>	<b>8,648.54</b>	-
Additions during the year	-	-
Deletions during the year	7,300.72	7,300.72
<b>Closing Balance</b>	<b>1,347.81</b>	<b>(7,300.72)</b>
<b>Unrecognised Deferred tax assets</b>		
Deferred tax assets have not been recognised in respect of the following items		
<b>Deferred Tax Assets</b>		
Provisions	-	25,777.60
Carry Forward losses	-	17,719.82
Other Disallowances	-	1,557.10
<b>Sub Total</b>	-	<b>45,054.52</b>
<b>Deferred Tax Liabilities</b>		
Property Plant & Equipment	-	7,780.93
<b>Sub Total</b>	-	<b>7,780.93</b>
Change in tax rate effect not recognized	-	-
<b>Total</b>	-	<b>37,273.59</b>
<b>Recognized MAT credit available to Company in future years</b>		
2014-15 (Credit available up to Financial Year 31.03.2025)	401.08	401.08
2016-17 (Credit available up to Financial Year 31.03.2027)	758.82	758.82
2017-18 Credit available up to Financial Year 31.03.2028)	187.91	187.91
<b>Total</b>	<b>1,347.81</b>	<b>1,347.81</b>

(Rs. Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>13 Tax Assets (Net)</b>		
<b>Current Tax Assets</b>		
Advance Tax including TDS	14,040.22	22,305.42
TDS	-	-
Current Tax Liabilities	-	-
Income Tax Payable/Provision	11,729.25	19,117.94
<b>Total</b>	<b>2,310.97</b>	<b>3,187.48</b>

## Notes to accounts for the year ended March 31, 2022

(Rs. Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>14 Other Assets (Non-Financial)</b>		
<b>Non-Current</b>		
<b>A. Capital Advances</b>	-	-
(A)	-	-
<b>A. Trade Advances</b>		
I. Secured, considered good	-	-
II. Unsecured, considered good	-	-
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired*	-	9,222.78
<b>Sub-total</b>	-	<b>9,222.78</b>
Less: Allowance for bad and doubtful advances	-	9,222.11
(A)	-	<b>0.67</b>
<b>B. Other Misc. Advances</b>		
I. Secured, considered good	-	-
II. Unsecured, considered good	-	-
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	-	26.26
<b>Sub-total</b>	-	<b>26.26</b>
Less: Allowance for bad and doubtful advances	-	26.26
(B)*	-	-
<b>C. Security Deposits</b>		
I. Secured, considered good	-	-
II. Unsecured, considered good	-	325.14
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	-	37.21
<b>Sub-total</b>	-	<b>362.35</b>
Less: Allowance for bad and doubtful deposits	-	37.21
(C)	-	<b>325.14</b>
<b>D. Deferred Employee cost due to Fair Valuation</b>	-	129.67
<b>E. Deferred Fair Valuation Loss- Deposit Receivable</b>	-	-
<b>F. Claims Recoverable</b>		
I. Secured, considered good	-	-
II. Unsecured, considered good	-	-
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	-	417.21
<b>Sub-total</b>	-	<b>417.21</b>
Less: Allowance for bad and doubtful claims	-	417.21
(F)	-	-
<b>Total (A to F)</b>	-	<b>455.48</b>
<b>Current</b>		
<b>A. Capital Advances</b>		
i. Secured, Considered good	-	-
ii. Unsecured Considered good	25.53	25.53
iii. Having Significant increase in Credit Risk	-	-
iv. Credit Impaired	-	-
<b>Sub-total</b>	<b>25.53</b>	<b>25.53</b>
Less: Allowance for bad and doubtful advances	-	-
(A)	<b>25.53</b>	<b>25.53</b>

## Notes to accounts for the year ended March 31, 2022

(Rs. Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>B. Trade Advances</b>		
I. Secured, considered good	-	-
II. Unsecured, considered good	-	-
III. Having Significant increase in credit risk	0.68	-
IV. Credit Impaired	9,121.19	-
<b>Sub-total</b>	<b>9,121.87</b>	<b>-</b>
Less: Allowance for bad and doubtful advances	9,121.19	-
<b>(B)</b>	<b>0.68</b>	<b>-</b>
<b>C. Other Misc. Advances</b>		
I. Secured, considered good	137.59	-
II. Unsecured, considered good	421.27	1.54
III. Having Significant increase in credit risk	135.33	135.31
IV. Credit Impaired	138.14	-
<b>Sub-total</b>	<b>832.33</b>	<b>136.85</b>
Less: Allowance for bad and doubtful advances	138.14	-
<b>©</b>	<b>694.19</b>	<b>136.85</b>
<b>D. Other</b>		
Prepaid Expenses	-	36.84
TA Advances	0.02	0.02
Advance for expenses	51.09	18.41
GST Input	365.74	486.60
VAT Receivable - Input/Service Tax Credit	6.90	6.90
Other	7.21	7.21
Deposits	3.39	0.89
<b>(D)</b>	<b>434.35</b>	<b>556.87</b>
<b>E. Deferred Employee cost due to Fair Valuation</b>	<b>-</b>	<b>-</b>
<b>F. Deferred Fair Valuation Loss- Deposit Receivable</b>	<b>-</b>	<b>0.03</b>
<b>G. Claims Recoverable</b>		
I. Secured, considered good	-	0.81
II. Unsecured, considered good	-	-
III. Doubtful	417.54	0.32
<b>Sub-total</b>	<b>417.54</b>	<b>1.13</b>
Less: Allowance for bad and doubtful claims	417.54	0.32
<b>(G)</b>	<b>-</b>	<b>0.81</b>
<b>H. Claims Recoverable</b>		
i. Secured, Considered good	-	-
ii. Unsecured Considered good	-	-
iii. Having Significant increase in Credit Risk	-	-
iv. Credit Impaired	26.26	-
<b>Sub-total</b>	<b>26.26</b>	<b>-</b>
Less: Allowance for bad and doubtful claims	26.26	-
<b>(H)</b>	<b>-</b>	<b>-</b>
<b>Total (A to H)</b>	<b>1,154.75</b>	<b>720.09</b>

For details refer note no. 39

## Notes to accounts for the year ended March 31, 2022

(Rs. Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>15 Inventories</b>		
A. Stock in trade including with handling agents/local agent	-	-
B. Stores and Spares	5.46	2.65
C. Packing Materials	-	-
D. Stationery	1.60	1.40
<b>Total</b>	<b>7.06</b>	<b>4.05</b>

(Rs. Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>16 Cash &amp; Cash Equivalents</b>		
Stamps & Stamp Papers*	0.09	0.09
<b>Balances with Banks</b>	-	-
- Cash Credit account - Debit Balance	-	-
- Current Accounts	384.19	328.28
<b>Sub-total</b>	<b>384.28</b>	<b>328.37</b>
<b>Other Bank Balances</b>		
- Term Deposits with maturity upto 3 months	2,457.87	8,313.95
<b>Sub-total</b>	<b>2,457.87</b>	<b>8,313.95</b>
<b>Total</b>	<b>2,842.15</b>	<b>8,642.32</b>

\*Nominal Value of Rs. 9,425/-

(Rs. Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>17 Bank Balances</b>		
<b>Current</b>		
<b>a. Balances with Banks</b>		
<b>Total</b>	<b>-</b>	<b>-</b>

(Rs. Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>18 Equity Share Capital</b>		
<b>Authorized</b>		
<b>Equity shares</b>		
20,00,00,000 equity shares of Rs. 10/- each Issued, subscribed and fully paid	20,000.00	20,000.00
Equity shares 6,00,00,000 equity shares of Rs. 10/- each	6000.00	6000.00
<b>Reconciliation of Share Capital:</b>		
Opening Equity Shares	600.00	600.00
Add: -No. of Shares, Share Capital issued/ subscribed during the year	-	-
<b>Closing balance</b>	<b>600.00</b>	<b>600.00</b>

Shares held by promoters at the end of the year

Promoter name	No. of Shares*	*%of total shares**
President of India	54,000,000	90%
<b>Total</b>	<b>54,000,000</b>	

## Notes to accounts for the year ended March 31, 2022

(Rs. Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>19 Other Equity</b>		
<b>General Reserve</b>		
Balance as per last financial statements	5,987.16	5,988.03
Less: Opening balance transferred to CO	-	(0.87)
Add: Transfer to General Reserve on account of revaluation of Fixed Asset.	-	-
Add: Amount Transferred from surplus Balance in the statement of Profit & Loss	-	-
<b>Closing Balance</b>	<b>5,987.16</b>	<b>5,987.16</b>
<b>Capital Reserve</b>		
Balance as per last financial statements	100.00	100.00
<b>Closing Balance</b>	<b>100.00</b>	<b>100.00</b>
<b>Retained Earnings</b>		
Balance as per last financial statements	(112,116.95)	(107,347.71)
Add: Profit for the year	(8,837.48)	(4,769.23)
Prior Period Adjustment	-	-
<b>Closing Balance</b>	<b>(120,954.43)</b>	<b>(112,116.94)</b>
<b>Revaluation Reserves</b>		
Balance as per last financial statements	88,460.18	88,460.18
Add: other adjustments	-	-
<b>Closing Balance</b>	<b>88,460.18</b>	<b>88,460.18</b>
<b>Exchange Fluctuation Reserves</b>		
Balance as per last financial statements	649.53	649.53
<b>Closing Balance</b>	<b>649.53</b>	<b>649.53</b>
<b>Bonus Reserve</b>		
Balance as per last financial statements	0.33	0.33
Transfer to bonus reserve (set on)	-	-
Transfer from bonus reserve (set off)	-	-
<b>Closing Balance</b>	<b>0.33</b>	<b>0.33</b>
<b>Total</b>	<b>(25,757.23)</b>	<b>(16,919.74)</b>

(Rs. Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>20 Borrowings</b>		
Non Current		
I. Term Loans:	-	-
II. Working Capital Loans:	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>Current</b>	<b>-</b>	<b>-</b>
I. Term Loans:		
a. From banks	-	-

## Notes to accounts for the year ended March 31, 2022

(Rs. Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
II. Working Capital Loans:	-	-
a. From banks		
- Cash Credit	80,623.24	80,623.24
- Working Capital Demand Loan -	-	
<b>Total</b>	<b>80,623.24</b>	<b>80,623.24</b>

"In view of the default by the company in paying due interest amount to the banks, STC was declared NPA in 2018. The lender banks have initiated DRT proceedings against the company, which is likely to be withdrawn soon. The Memorandum of the OTS (MOTS) proposal with the lender banks is at the final stages and is in line with the minutes of the high level meeting held on 29.08.19 and the further clarificatory letter dated 13.10.2020 of ministry. The liability towards bank is proposed to be settled by way of transfer of title of identified immovable property worth Rs. 300 crore on "basis where is basis" as a full and final settlement.

STC is in receipt of letter dated 22.04.2022 from the lead banker Canara Bank wherein, the bank has given two options with regard to MOTS i.e.:

Option 1 : STC to execute equitable mortgage in favour of Canara Bank enabling it to legally proceed for sale of properties mentioned in the settlement agreement with the permission/authority to sell and realize the sale amount.

Option 2 : Canara Bank to proceed before DRT to execute a consent decree for the accepted OTS amount of Rs. 30,000 lacs in the joint suit pending before DRT-II.-

Opinion of Senior Government Advocate, on above matter is awaited."

Name of Banks	Amount defaulted (principal & intt. thereon)	Date of default
Syndicate Bank	280.71	31.03.2018
Indian Overseas Bank	188.02	31.03.2018
Union Bank of India	140.72	28.02.2018
Indian Bank	94.81	28.02.2018
EXIM Bank	74.43	01.10.2016
Bank of Baroda	26.27	20.06.2018
UBI (Kumily)	1.28	28.02.2018
<b>Balance as on 31.03.2022*</b>	<b>806.23</b>	

(Rs. Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>21 Trade Payable</b>		
Non Current		
a) Bill Acceptances	-	-
b) Trade Payables	-	96,864.52
<b>Total (A)</b>	<b>-</b>	<b>96,864.52</b>
<b>Current</b>		
a) Trade Payables	111,960.60	15,228.34
<b>Total (B)</b>	<b>111,960.60</b>	<b>15,228.34</b>
<b>Total (A+B)*</b>	<b>111,960.60</b>	<b>112,092.86</b>

\* Above includes Trade payable paid only on realization from the outstanding receivables due to back to back payment arrangement.

## Notes to accounts for the year ended March 31, 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	-	-	487.32	105,906.15	106,393.48
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	5,567.12	5,567.12

(Rs. Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>22 Other Financial Liabilities</b>		
<b>Non Current</b>		
a. Advance from customer**	-	0.80
b. Customers at Credit	-	446.44
c. Other liabilities		
- Outstanding liabilities for goods & services received	-	242.13
- Deposits	-	976.74
- Security Deposits from:		
: Others	-	28.42
Less : Security Deposit Payable Adjustment	-	-
- Earnest money deposits	-	241.07
d. Employees' dues:		
- Pay & Allowances	-	-
- Earned leaves	-	774.33
e. Lease Liability	-	-
<b>Total</b>	<b>-</b>	<b>2,709.93</b>
<b>Current</b>		
a. Advance from customers**	3,255.71	6,406.16
b. Customers at Credit	6,498.76	6,025.94
- Outstanding liabilities for goods & services received	22,846.44	14,110.88
- Outstanding liabilities for goods & services received (PP)	-	-
- Deposits	4,072.32	3,066.44
- Stale Cheques	-	-
- Security Deposits from:		
: a Subsidiary	-	-
: Others	321.60	386.67
- Security Deposits (Fair Value Adjustment)	-	(0.30)
- Earnest money deposits	562.08	467.75
d. Employees' dues:		
- Pay & Allowances	380.47	2,406.84
- Other expense	815.34	16.58
- Dues to employees on accrual basis	11.64	829.21
- Earned leaves	910.61	194.11
- STC's employees union	0.28	0.27
- STC's Officers' Association	0.94	0.16
- STC's SC/ST Employees Welfare Association	0.07	0.07
- Salary Saving scheme	0.51	1.06
- Thrift Society	-	3.42
- Undisbursed Salary	0.91	17.38
<b>Total</b>	<b>39,677.68</b>	<b>33,932.64</b>



## Notes to accounts for the year ended March 31, 2022

(Rs. Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>23 Provisions</b>		
<b>Non Current</b>		
Provisions for Employee Benefits		
Encashment of Half pay leave	-	301.41
Post Retirement medical benefits	-	10,549.00
<b>Total</b>	<b>-</b>	<b>10,850.41</b>
<b>Current</b>		
<b>A. Provisions for Employee Benefits</b>		
Encashment of Half pay leave	369.14	73.07
Post Retirement medical benefits	11,377.79	912.17
Long service awards	-	-
Gratuity	-	22.60
Performance Related Pay	0.67	0.67
Others	-	-
<b>Sub Total (A)</b>	<b>11,747.60</b>	<b>1,008.51</b>
<b>B. Other Provisions</b>		
Contingencies	4,548.27	4,462.50
Exchange Difference on Forward Contract	-	-
Others (specify nature)	11.12	11.12
<b>Sub Total (B)</b>	<b>4,559.39</b>	<b>4,473.62</b>
<b>Total(A+B)</b>	<b>16,306.99</b>	<b>5,482.13</b>

(Rs. Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>24 Other Liabilities (Non-Financial)</b>		
<b>Non Current</b>		
a. Advance from customers	-	-
b. Customers at Credit*	-	604.03
<b>Total</b>	<b>-</b>	<b>604.03</b>
<b>Current</b>		
<b>a. Advance from customers</b>	-	-
b. Customers at Credit	605.69	-
b. Other liabilities:-		
- Outstanding liabilities for goods & services received	9.04	15.96
- Stale Cheques	-	-
- Liability for CSR	-	-
- Deposits	46.57	46.57
- Security Deposits	-	-
- Security Deposits (Deferred fair value gain)	-	0.30
c. Remittances:		
- Professional Tax	1.51	1.63
- Sales Tax/ Value added Tax	-	(0.01)
- Income Tax deducted at source	37.45	143.90
- Goods & Service Tax (GST)	164.57	154.76
- Contribution to Provident Fund	39.87	43.53
- Contribution to Empl Pension Scheme - 95	2.02	-
- Contribution to Empl Pension Fund	15.06	16.26
<b>Total</b>	<b>921.78</b>	<b>422.90</b>

## Notes to accounts for the year ended March 31, 2022

\* includes an amount payable of Rs. 603 lacs to U.P, Government is adjustable against claims of interest and carrying charges amounting to Rs 3382.23 lacs is outstanding from UPGEWC on account of (i) differential of import price and amount realised on risk sale of 9555.285 MTs Lemon Tur and (ii) Interest and carrying charges, and STC has been continuously following up the recovery matter with Govt of UP and filed its petition dtd 28.01.2022 for resolution of dispute through AMRCD mechanism.

(Rs. Lacs)		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>25 Revenue From Operations</b>		
<b>(a) Sales</b>		
Export	-	-
Imported Goods	-	1,213.23
Domestic	-	23,450.97
<b>Sub total</b>	<b>-</b>	<b>24,664.20</b>
<b>(b) Other operating revenue</b>	<b>-</b>	<b>-</b>
Claims:		
From Others	-	0.03
Others	-	316.94
<b>Sub total</b>	<b>-</b>	<b>316.97</b>
<b>Total</b>	<b>-</b>	<b>24,981.17</b>

(Rs. Lacs)		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>26 Other Income</b>		
<b>(a) Interest income:-</b>	<b>-</b>	<b>-</b>
Advance to Employees	11.89	30.13
Deposits pledged / under Lien as margin money	12.02	104.15
Other bank Deposits	44.86	137.61
Interest on Investments	519.31	657.31
Income Tax Refunds	388.61	40.03
<b>Sub Total</b>	<b>976.69</b>	<b>969.23</b>
<b>(b) Miscellaneous income:-</b>		
Security Deposits forfeited	0.03	-
Rent received from Employees	8.10	7.73
Other Receipts	-	-
<b>Sub Total</b>	<b>8.13</b>	<b>7.73</b>
<b>(c) Rental income:-</b>	<b>-</b>	<b>-</b>
Rent Received from let-out property	6,656.68	4,727.10
Recoveries for common services from tenants	765.84	618.51
<b>Sub Total</b>	<b>7,422.52</b>	<b>5,345.61</b>
Less: Expenses related to let out property		
Property tax/Municipal tax	683.38	694.62
Ground Rent	33.26	34.11
Insurance Premium	10.90	9.93
Maintenance Charges	117.49	88.53
Administrative Expenses	82.42	59.96
<b>Sub Total</b>	<b>927.45</b>	<b>887.15</b>

## Notes to accounts for the year ended March 31, 2022

(Rs. Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Net rental income (c )</b>	<b>6,495.07</b>	<b>4,458.46</b>
<b>(d) Other Receipts:-</b>		
Difference in exchange other than commodity items	(30.32)	79.55
Misc. non Trade receipts	286.07	209.94
Amortisation income of Deferred employee advances	-	18.58
Amortisation income of Deferred Security deposit	-	4.61
Sub Total	255.75	312.68
<b>Total</b>	<b>7,735.64</b>	<b>5,748.10</b>

(Rs. Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>27 Cost of Materials consumed</b>		
Opening balance of material	-	-
Add: Purchases made during the Year	-	-
Less: Closing balance of material	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

(Rs. Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>28 Purchase of Stock-in-Trade</b>		
Import Purchase	-	1,166.77
Domestic Purchase	-	23,243.96
- On Business Associate's Account	-	4.60
Import Payables)	-	0.68
- On STC's Account		
Export (Receivable)	-	3.92
Insurance - General	-	59.89
<b>Total</b>	<b>-</b>	<b>24,475.22</b>

(Rs. Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Changes in Inventory		
Stock-In-Trade		
At the beginning of Year	-	10.44
Less : At the end of Year	-	-
<b>Changes in Inventory</b>	<b>-</b>	<b>10.44</b>

## Notes to accounts for the year ended March 31, 2022

(Rs. Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>30 Employees' Benefit Expenses</b>		
(a) Remuneration to Staff & Managers		
Salaries and Allowances	2,461.64	3,317.97
Encashment of Earned Leave	135.61	126.76
Encashment of Half Pay Leave	32.97	(335.58)
Provident fund	167.24	276.02
Employees pension scheme 95 (EPS 95)	23.93	31.32
Welfare Expenses:		
- Medical Expenses on regular employees (OPD)	27.11	38.71
- Medical Expenses on regular employees (IPD)	92.02	163.39
- Medical Expenses on retired employees (OPD)	-	345.37
- Medical Expenses on retired employees (IPD)	219.00	122.93
- Medical Expenses on Actuarial liability	588.26	327.78
- Long Service Award including at the time of Retirement	0.24	-
- Others	22.94	18.29
Gratuity	92.12	68.52
Pension	140.74	229.54
Amortisation expenses of Deferred employee cost	-	-
Voluntary retirement benefit* (VRS)	-	3,326.50
Amortisation expense	-	4.80
Overtime allowance to staff	-	0.49
<b>Sub Total</b>	<b>4,003.82</b>	<b>8,062.83</b>
(b) Remuneration to Directors		
Salaries and Allowances	77.13	85.14
Encashment of Earned Leave	-	22.05
Encashment of Half Pay Leave	-	(23.36)
Provident fund	6.38	7.20
Employees pension scheme 95 (EPS 95)	-	0.16
Welfare Expenses:		
- Medical Expenses on regular employees (OPD)	0.40	0.38
- Medical Expenses on Actuarial liability	-	2.04
Gratuity	-	2.55
Pension	2.97	5.52
<b>Sub Total</b>	<b>86.88</b>	<b>101.68</b>
<b>TOTAL</b>	<b>4,090.70</b>	<b>8,164.51</b>

(Rs. Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>31 Finance Cost</b>		
<b>Bank Loan :</b>		
- Working capital Demand Loan(WCDL)	-	-
- Cash Credit	-	-
- Export packing credit/PCFC	-	-
- BAS/External Commercial borrowing	-	-
Business associates :	-	-

## Notes to accounts for the year ended March 31, 2022

(Rs. Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
- Deposits pledged / under Lien as margin money	-	-
- Other Deposits	-	-
Income Tax	0.02	0.01
TDS/TCS	-	-
VAT	0.35	-
Others	193.72	193.35
<b>TOTAL</b>	<b>194.09</b>	<b>193.36</b>

(Rs. Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>32 Depreciation And Amortization Expenses</b>		
<b>Depreciation on Property Plant &amp; Equipment (PPE)</b>		
Freehold Building	-	535.43
Plant & Machinery	-	85.09
Furniture & Fixtures	-	10.18
Motor Vehicle	-	11.80
Office Equipment	-	4.01
Computers, data processing units & communication equipment	-	1.36
Electrical Installations & Equipment	-	35.82
Leasehold Land	-	9.46
Leasehold Building	-	323.13
Roads, culverts & sewerage etc (Leasehold)	-	1.84
Plant & Machinery (Leasehold)	-	36.26
Others	-	41.30
<b>Sub Total</b>	<b>-</b>	<b>1,095.68</b>
Depreciation on investment property :		
Freehold Building	-	8.23
Leasehold Land	-	56.74
Leasehold Building	-	427.39
<b>Sub Total</b>	<b>-</b>	<b>492.36</b>
Amortisation on intangible Assets		
Computer software	-	0.16
Others	-	-
<b>Sub Total</b>	<b>-</b>	<b>0.16</b>
<b>TOTAL</b>	<b>-</b>	<b>1,588.20</b>

(Rs. Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>33 Other Expenses</b>		
<b>(a) Other Operating Expenses</b>		
Claims Paid	-	0.03
Delivery charges	-	10.56
<b>Sub total</b>	<b>-</b>	<b>10.59</b>
<b>(b) Administration expenses</b>		
Office Rent	11.03	7.84

## Notes to accounts for the year ended March 31, 2022

(Rs. Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rates and Taxes:		
- Property Tax to Municipal Corporation	120.00	503.02
- Others	0.64	0.90
Electricity and Water Charges	98.75	172.81
Printing and Stationery	11.06	10.69
Postage, Telegram, Teleprinter & Telex	0.75	4.42
Telephones	14.95	29.11
Books and Yearicals	0.06	0.05
Repairs		
- Building	-	-
- Others	2.23	2.51
Travelling Expenses	8.70	8.15
Housing Colony Expenses	35.38	125.88
Service Vehicle Expenses	12.61	18.20
Insurance Premium	22.21	27.99
Auditors' Remuneration		
- Statutory Audit Fees	8.00	12.02
- Tax Audit Fees	4.00	5.39
- Certification fees	3.00	3.00
Information Technology Expenses	39.42	15.92
Conveyance Expenses	0.09	0.08
Maintenance of Office Building	369.17	83.15
Misc. Office expenses	43.85	179.06
<b>Sub total</b>	<b>805.90</b>	<b>1,210.19</b>
<b>(c) Trade Expenses</b>		
Legal & Professional Expenses	242.32	218.16
Legal & Professional Expenses (Prior Year)	-	-
Advertisement & Publicity	7.79	11.64
Exchange Fluctuations other than commodity items	50.19	9.95
Bank Charges	6.25	2.11
Entertainment expenses	5.26	4.71
Other Trade Expenses	102.94	5.43
<b>Sub total</b>	<b>414.75</b>	<b>252.00</b>
<b>(d) Amortization Expenses</b>		
Amortisation expenses of Deferred employee advances	-	17.52
Amortisation expenses of Deferred Security deposit	-	5.20
<b>TOTAL</b>	<b>1,220.65</b>	<b>1,495.50</b>

(Rs. Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>34 Exceptional items</b>		
(a) Expenses		
Loss on sale of Property, Plant & Equipment (PPE)	0.04	1.10
Other provisions (L&DO)	8,540.61	-
<b>Total (a)</b>	<b>8,540.65</b>	<b>1.10</b>

## Notes to accounts for the year ended March 31, 2022

(Rs. Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(b) Write Offs		
Claims	5,930.42	-
Deposits	-	3.50
Assets	-	4.87
<b>Total (b)</b>	<b>5,930.42</b>	<b>8.37</b>
( c ) Provision for Doubtful debts, Loans and advances & Investment Claims	2.10	-
<b>Total (c)</b>	<b>2.10</b>	<b>-</b>
(d) Income		
Profit on Sale of PPE	0.10	11.39
Liabilities Created in previous years written back:		
- Statutory	-	-
- Others	27.12	43.84
Provision Written back for doubtful amounts realized:		
-Claims	0.60	-
Provision Written back for doubtful amounts written off:		
-Trade Receivables	-	-
-Claims	7,355.42	1.29
-Claim recoverable	-	3.50
Write back of unclaimed credit balances	-	23.95
<b>Total (d)</b>	<b>7,383.24</b>	<b>83.97</b>
<b>Total (a+b+c-d)</b>	<b>7,089.93</b>	<b>(74.50)</b>

\*For details refer note no. 39 (iii)

(Rs. Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>35 Tax Expense</b>		
<b>A Tax recognised in Statement of profit and loss</b>		
<b>Particulars</b>		
<b>Current income tax</b>		
Current year	-	-
Adjustments for prior years	(2,763.77)	-
<b>Total</b>	<b>(2,763.77)</b>	<b>-</b>
Deferred tax expense		
Origination and reversal of temporary differences	7,300.72	-
Changes in tax rate	-	-
Change in accounting policy	-	-
<b>Sub Total (B)</b>	<b>7,300.72</b>	<b>-</b>

## Notes to accounts for the year ended March 31, 2022

(Rs. Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Total (A+B)</b>	<b>4,536.95</b>	<b>-</b>
Tax recognised in other comprehensive income		
Particulars	-	-
Defined benefit plan actuarial gains (losses)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Reconciliation of effective tax rates</b>		
<b>Particulars</b>		
<b>Profit before tax</b>	<b>(4,859.73)</b>	<b>(5,121.78)</b>
Tax using the company's domestic tax rate @ 31.20%	-	-
Prior year ended income adjustments	-	-
Tax Effect of :		
Permanent Differences	-	-
Unrecognised deferred tax assets/(Liabilities)	-	-
Tax Expenses for the year	-	-

Since the tax expense for the year is Rs. NIL hence no provision for Tax on other comprehensive income is considered necessary.

(Rs. Lacs)

Particulars	For the year ended March 31, 2020	Balance year ended
<b>B Tax Losses Carried forward</b>		
Unused Tax Losses for which no deferred Tax Assets have been recognized :		
Business Loss carried forward for F.Y. 2013-14	4,052.29	
Business Loss carried forward for F.Y. 2016-17	11,270.35	
Business Loss carried forward for F.Y. 2017-18	8,928.07	
Business Loss carried forward for F.Y. 2018-19	58,105.19	
Business Loss carried forward for F.Y. 2019-20	10,725.62	
Business Loss carried forward for F.Y. 2020-21	2,700.11	
Unabsorbed Depreciation 3,250.05		
<b>Total</b>	<b>99,031.68</b>	



## Notes to accounts for the year ended March 31, 2022

### 36 Foreign Currency Exposure

(In Lacs)

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	Foreign Currency Denomination	Amount in Foreign Currency	Amount in Indian Rupees	Foreign Currency Denomination	Amount in Foreign Currency	Amount in Indian Rupees
<b>A. Receivable :</b>						
IGEDC IRAN	EURO	11.58	990.52	EURO	11.58	990.52
Mumbai branch	USD	1,521.57	74,556.73	USD	1,521.57	74,556.73
Various Parties	USD	1,627.78	66,582.91	USD	1,627.78	66,563.04
Various Parties	EURO	9.32	489.15	Euro	9.32	489.15
<b>SubTotal (A)</b>			<b>142,619.31</b>			<b>142,599.44</b>
<b>B. Payable :</b>						
Various Parties	USD	41.49	1,665.41	USD	41.49	1,665.41
Various Parties	-	-	-	Euro	0.06	2.00
M/S Rosanblatt, London	Pound	0.04	4.25	Pound	0.04	4.32
<b>SubTotal (B)</b>			<b>1,669.66</b>			<b>1,669.73</b>

### 37 Trade Payables

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as under :

(Rs. Lacs)

Particulars	2021-22	2020-21
Principal amount due to suppliers under MSMED Act, 2006	-	-
Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during year	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest accrued and remaining unpaid at the end of each of the year to suppliers under MSMED Act	-	-

### 38 Disclosure in respect of Indian Accounting Standard (Ind AS)-37 "Provisions, Contingent Liabilities and Contingent Assets"

#### (i) Provisions

(Rs. Lacs)

Particulars	Opening Balance as on 01.04.2021	Additions/ Transfers during the year	Utilization During the Year	Adjustment During the Year	Written-back During the year	Closing balance as on 31.03.22
Contingencies	4,473.62	85.77	-	-	-	4,559.39
Doubtful Trade Receivables	62,729.63	-	-	2.00	-	62,727.63
Doubtful Loans	9,248.37	-	-	100.92	-	9,147.45
Doubtful Claims	10,720.84	-	-	7,353.90	-	3,366.94
Doubtful Deposits	625.21	-	-	(90.02)	-	715.23
<b>Total</b>	<b>87,797.67</b>	<b>85.77</b>	<b>-</b>	<b>7,366.80</b>	<b>-</b>	<b>80,516.64</b>

#### (ii) Contingent Liabilities:

Particulars	31.03.2022	31.03.2021
Claims against the company not acknowledged as debt		
(i) Court & Arbitration cases with parties*	13,530.14	13,505.81
(ii) Sales Tax/Service Tax/VAT	48,548.84	48,548.84
(iii) Income Tax	686.25	981.52
(iv) Custom Duty	692.55	692.55
(v) Others**	11,167.01	19,707.62
<b>Total</b>	<b>74,624.79</b>	<b>83,436.34</b>

\*M/s Tanzania Commodities Pvt. Ltd. raised a claim of Rs. 2,446 lacs towards short supply of sugar through the associate M/s Mehak Overseas. The case is pending before the Bombay High Court. Refer note no. 38 (3) for details of M/s Mehak Overseas.

\* M/s Mediterranean Shipping raised a claim of Rs. 729 Lacs towards non-payment of Demurrage and storage charges by M/s Mehak Overseas in two separate cases. The cases are pending before the Bombay High Court.

\*\* Demand of Rs. 13,283 lacs was raised by L&DO vide its letter no. L&DDO/LS2A/9225/133 dated 26th March 2018 from 2004-05 onwards for non-compliance of various conditions of the Lease Deed (including non-deposits of 25% of the gross rent received by STC from its tenants). However, the company has disputed the demand and the matter is yet to be resolved. On the observation of CAG audit, the firm liability of Rs. 8,540 lacs has been created in the book of accounts for the F.Y. 2021-22. Further STC vide letter dtd 20.05.2022 requested L&DO to provide Outstanding dues as on date and the reply is still awaited.

\*Provision as on 31.03.2022 includes Rs. 1124 Lacs (after considering EMD Rs. 199 Lacs available with STC) in respect of contract entered into by the company for import of goods from foreign supplier M/s Synergic Industrial Marketing Services (SIMS), Singapore/ Malaysia, on behalf of the Indian buyer M/s Millennium Wires Pvt. Ltd. The documents tendered by the foreign supplier were forged and fabricated. Hence, STC approached its banker Allahabad Bank, (now merged with Indian Bank) not to release the payment to Foreign Bank against these LCs. Foreign Bank of supplier has approached Delhi High Court for release of payment against LCs. As per court order, Indian Bank has deposited decretal amount with court. As a result of this, Indian bank debited the account of STC, now Delhi High Court has passed its Judgment in the matter between Indian Bank & the Malayan Bank, upholding the decision of single bench against Indian Bank to pay the decreed amount (Rs 10,79,59, and 518.02 along with pendent lite & future simple interest till realization @ 9% p.a.) to Malayan Bank. Subsequent to the Hon'ble Delhi High Court Judgment dated 25.11.2019, STC received a Claim Letter dated 16.01.2020 from Indian Bank for an amount of Rs 16,21,60,914 along with future interest @ 9.65% p.a.w.m.r. towards all 4 LCs (1 LC was not accepted by STC). Further, STC has also referred the matter to different forums. STC has made a provision of Rs. 1,124 Lacs (net of EMD Rs.199 Lacs available with STC) in respect of three LCs documents accepted by STC. Since STC has refuted the demand raised by Indian Bank, hence the balance amount of Rs. 393 Lacs has been shown as Contingent liability.

Further, Lender institutions of the Indian buyer (M/s Millennium Wires Pvt. Ltd) have initiated NCLT proceedings. STC had also filed its claim for an amount of Rs 1,491 Lacs in compliance with Orders of the NCLT, Chandigarh Bench before the liquidator to the same extent of amount claimed by bank from STC at the date of filing claim before liquidator, However, The Liquidator has vide email dated 26.05.2020 rejected STC's claim of amount Rs 1,491 Lacs. STC is in the process to appeal against the decision of the Liquidator before NCLT, Chandigarh.

Further, Indian Bank has now filed before Debt Recovery Tribunal 2 (DRT 2), New Delhi claiming an amount of Rs. 1,740 Lacs approx.. STC has denied and contested this claim. The matter is presently at the stage of evidence. STC had filed a complaint with CBI, New Delhi and an FIR NO. : RC 2192022E0001 dated 08.02.2022 has been registered by CBI, New Delhi and investigation is underway in the matter.

(iii) Litigation Settlements:

- 1 M/s J.K. International (a foreign supplier) has a pending claim of Rs. 7700 Lacs (approx.) including interest due to abrogation of contract by STC for import of pulses during 2008-09. The claim was disputed by STC on the ground that contract for import of Pulses was on the direction of Ministry of Consumer Affairs and the said Ministry directed STC to abrogate any balance quantity under the said contract. However, the supplier had invoked Arbitration clause and Award of Arbitral Tribunal was in favour of the supplier. The company filed an appeal against the Tribunal award before the single bench of the Hon'ble Delhi High Court. The judgment was in favour of supplier, which STC has filed an appeal before the Double bench of the Hon'ble Delhi High Court. Meantime, M/s. J.K. International filed an SLP against STC at Hon'ble Supreme Court and under order of Hon'ble Court, STC has paid a sum of Rs. 2000 Lacs to J.K. International. The matter is still pending before the Delhi High Court and same has been disclosed as liability. The matter was last listed on 17.05.2022 but adjourned to 15.09.2022 due to paucity of time.
- 2 The company has appropriated an amount of Rs. 2,789 Lacs recoverable from M/s Lichen Metals Pvt. Ltd. (the party) against the deposits of its holding company viz. M/s Edelweiss Pvt. Ltd. due to this, the holding co. of party had gone for arbitration and award was in their favour for the refund of Rs. 2,789 Lacs plus interest @8% p.a. by STC excluding cost of arbitration. Against the same STC has filed an appeal before the Hon'ble High Court. Meanwhile, as per the High Court's direction STC has deposited Rs. 3,192 Lacs with the High Court of Calcutta. The amount has been kept as a Security in the form of FD with High Court, pending appeal. The money was withdrawn by M/s Edelweiss by submitting a Bank Guarantee of equivalent amount and a sum of Rs.277 Lacs is left which is the amount of interest accrued over a period of time. Due to prevailing situation caused by the pandemic, the case has not progressed to any decisive stage, due to non-hearing of regular matters.

- 3 The company has already paid a total amount of Rs. 9,205 Lacs to M/s Helm (as per Court Order dated 21.08.2019) under the Execution Petition filed by M/s Helm and with this the Execution Petition stands closed. The company has been requesting DOF for payment of the arbitral award amount as the said transaction was handled by the company on behalf and as per the instructions of DOF only. However, the payment is still awaited from DOF, which is being pursued.

**(iv) Contingent Assets:**

If it is probable that there will be inflow of the economic benefits, disclosure shall be made for contingent asset stating the brief description of the nature of the contingent asset. If possible, estimated financial effect shall also be disclosed.

(₹ Lacs)

Particulars	31.03.2022	31.03.2021
Claims*	14,201.18	23,034.35
Advances*	37,497.14	34,835.28
Trade Receivables*	238,928.06	206,493.07
Others **	125,468.66	119,842.74
<b>Total</b>	<b>416,095.04</b>	<b>384,205.44</b>

\*Contingent assets consist of claims (principal & interest) against those parties where either a provision has been made or has been written off. All these cases are pending at various level of court.

\*\*Others includes net amount of Rs. 467 Lacs receivable from Income Tax Department w.r.t the corporation opting for VsV scheme for the Assessment Year 2011-12."

MoC&I vide letter dated 19.03.2020 conveyed that the subject matter has been re-examined in the Ministry in consultation with DPE and it has been decided that the recovery of the entire excess payment made in the contravention of DPE guidelines issued vide OM dated 26.11.2008 to be effected. Accordingly, fresh demand letter(s) dated 01.04.2020 were issued to all 27 officers (both serving & retired) with request to make payment within 15 days. Out of 27 officials, recovery has been made from 9 officers. Six (6) officers approached Delhi High Court against subject recovery and matter is sub-judice. Further, with respect to other 11 officers, recovery suit has been filed in the court of law.

**(v) Major Legal cases (Trade Receivables)**

- 39** STC has supplied HR Coils to M/s Conros Steel during 2009-10. Party has defaulted in making payment due against one of the LC amounting to Rs.1,205 Lacs (LC Value Rs.1,005 Lacs and Interest & other expenses Rs. 200 Lacs). STC has filed civil applications and criminal complaint under various sections of Indian Penal Code.

The material sold to the associate was pledged to STC and kept under the custody of CWC. However, another PSU viz. M/s Metal and Scrap Trading Corporation (MSTC) had made a claim of ownership of stock, against which STC has filed declaratory suit in the lower court, Panvel, Navi Mumbai. Meantime, the Hon'ble Court has asked MSTC to conduct the sale of pledged stock and deposit the sale proceeds with the Hon'ble Court. Accordingly, MSTC conducted e-auction of the stock and deposited sale proceeds of Rs. 1,028 Lacs with the court. Further, the lender institutions have initiated proceeding under NCLT against the party, STC has filed its claim of Rs. 2,870 Lacs (including interest of Rs. 1,665 Lacs shown as contingent assets) before NCLT dated 21.08.2018."

- 1** STC has exported Gold jewellery to various parties of UAE against which USD 1,61,705,695 equivalent to Rs. 78,765 Lacs is outstanding for recovery. Due to economic meltdown during F.Y 2008-09, the buyer has defaulted in payments. However, STC has discounted 90% of the bills from EXIM Bank and paid 83.5 % to respective Indian Suppliers. STC has initiated criminal and civil proceedings against local suppliers which are still pending. However, against most of the Indian suppliers, winding up orders have already been passed. Accordingly, provision for amounting to Rs. 44,546 Lacs has been made and balance of Rs. 34,219 Lacs has not been provided as the same is payable to various local suppliers.

- 2** " Other trade receivables include Rs.4,192 Lacs (approx.) on account of export of various agri commodities to various foreign buyers during 2006-07 to 2009-10 out of purchase made from the Local supplier M/s Mehak Overseas under various agreement against which corresponding credit balance of Rs. 4,192 Lacs appearing under Trade Receivables is payable under trade payable.

Further, a financial assistance of Rs. 7,533 Lacs given by STC to M/s Mehak Overseas Ltd. (MOPL) for the purchase of Agri Commodities has already been written off during 2013-14.

Since the party has failed to refund STC has initiated various legal steps against the party. The matter is also under investigation by CBI.

Considering the corresponding credit under trade payable of Rs.4,192 Lacs, no provision is considered necessary." During the FY-2021-22 no change in status."

3 Trade receivables include Rs.56,844 Lacs (approx.) on account of export of pharma products to foreign buyers purchase from M/s Rajat Pharmaceuticals Ltd". (RPL). RPL drew bills of exchange on STC which were also accepted upon receipt of overseas buyers pre-acceptance to STC's bills of exchange. The foreign buyers i.e. M/s Loben Trading and M/s Sweetland, defaulted in making payment against the export bills. A claim of Rs.52,786 Lacs has been admitted by the liquidator of one of the foreign buyer i.e. Loben Trading Co.Pte Ltd, Singapore . A Decree of Rs 6,247 Lacs has been passed by Hon'ble Mumbai High Court in favour of STC against the dues from foreign buyer i.e. Sweetland Trading Pte Ltd. However, one of them has gone into liquidation and official liquidator is appointed by Hon'ble High Court Mumbai. The matter is also under investigation by CBI. No provision is required against the same. Banks & Financial institutions have filed legal suit against RPL before DRT making STC also a party to the case claiming Rs. 47,647 Lacs.

4 "Non-Current trade receivables include Rs. 322 Lacs from M/s Renaissance Corporation Ltd. towards import of pet bottle material which is pledged with STC. This outstanding is against non-lifting of scrap imported in respect of last LC. STC went into arbitration which was awarded in favour of STC. However, a provision of Rs. 176 Lacs to the extent of dues not covered by pledged stock, has already been made.

Ahmedabad branch is in the process to float tender for conducting physical verification and valuation of pet bottle scrap (pledged to STC) lying at survey no. 455, village Bhimasar, Taluka- Anjar, Distt. – Kutch.

5 "STC has exported 19,980 MTs Rice for amounting to USD 60,93,900 (equivalent to Rs.4,065 Lacs) during 2016-17 to General Authority for Supply Commodities (GASC), a Government entity of Egypt on the basis of instruction of MEA. GASC, Egypt has deducted arbitrarily USD 6,03,357.75 (equivalent to Rs. 415 Lacs as on 31st March, 2019) from the total value of commercial invoice on account of fumigation and other charges and balance amount was paid.

However, STC has disputed the above said deduction and the matter has also been taken up at various forums i.e. MEA & concerned Embassies. Hence, no provision for Rs. 415 Lacs has been made.

Further, the said export of Rice was from the procurement made from Food Corporation of India (FCI) and as per Para 14 of the Agreement with FCI, the payment is to be made on receipts of the sale proceed from the Egyptian Buyer. Accordingly, STC has also not paid to the same extent to FCI."

Further in subsequent joint meeting of FCI, STC & MEA, it was decided that MEA shall pay the amount due of Rs. 415 Lacs. STC is not out of pocket and on receipt, amount will be passed to FCI. However, vide letter dated 08.10.2021, MEA has informed that they have made full and final settlement of Rs. 27,97,96,833/- on 27.12.2020 with Department of Food and Public Distribution. STC vide letter dated 29.10.2021 submitted that STC is not privy to said settlement and requested that the details may be shared with STC. Reminder to said letter was again forwarded vide letter dated 18.05.2022."

6 STC has exported steel plates to Iranian Gas Engineering & Development Co. (IGEDC, Iran) during 2014-15 to 2016-17 for amounting to Rs. 2,87,324 Lacs under a contract which expired in January 2017. As on balance sheet date Rs. 8,938 Lacs reconciled is still outstanding. The amount outstanding will be paid by IGEDC, Iran. In the present case STC is not out of pocket since the amount outstanding from IGEDC on receipt is payable to back-up supplier M/s Essar Steel Ltd., Hazaria (now M/s Arcelor Mittal Nippon Steel India Limited) and accordingly no provision has been made.

7 "Trade receivables include an amount of Rs. 1,054 Lacs recoverable from M/s Dankuni Steel Ltd. against supply of met Coke during earlier years. For recovery of the dues, claim has been filed with NCLT through IRP. The company has filed legal and criminal cases against the party which are being followed up.

No provision for Rs. 696 Lacs has been made as the said amount is secured by mortgage of free hold land. A provision of Rs. 358 Lacs has been made against the dues. Tender was floated for the sale of mortgaged property at Dankuni, however, when tender was opened on 01.04.2021, no bids were received. Efforts are being made for sale of property and realization of dues. STC is in the process of floating tender for valuation of property in order to ascertain fair value and subsequent tendering for sale of said property."

8 "Non-Current Claim Recoverable includes Rs 392 Lacs from M/s Lichen Metals (the party) out of total exchange gain of Rs 3,187 Lacs paid by STC to M/s Lichen Metals due to cancellation of

forward cover by the party against indent for domestic supply of Bullion. Subsequently, STC demanded for the refund of such amount which the party refused to refund. On refusal for refund, STC adjusted deposits of Rs. 2,795 Lacs taken from holding company (M/s Edelweiss) of the party leaving a recoverable balance of Rs 392 Lacs. However, holding company had approached for arbitration against adjustment of its deposit by STC against the dues of the party (i.e. subsidiary). Arbitration award was in favour of the holding company of the party. However, STC has filed an appeal against the arbitration award before the Hon'ble High Court which is still pending. Hence, no provision for the same has been made. STC has deposited Rs. 3,192 Lacs with Hon'ble High Court, Calcutta pending appeal in Edelweiss matter.

The amount was kept as a security in the form of FD with High Court, pending appeal. The money was withdrawn by M/s Edelweiss and a sum of Rs. 277 Lacs is left which is the amount of interest accrued over a period of time.

- 9 Claim recoverable includes Rs. 548 Lacs (equiv. to USD 0.86 million) outstanding for recovery from M/s Samsung C&T corporation, Korea against debit note issued by STC during 2017-18 due to quality variation of Urea imported. The supplier has invoked the arbitration clause and STC also filed its counter claim. However, the arbitration award passed was not in favour of STC, inter-alia, rejecting STC's counter claim. STC has filed appeal in Delhi High Court and in pursuance of Court's direction STC has also deposited Rs. 1,105 Lacs with Delhi High Court. Department of finance has till date not withdrawn the penalty imposed by them in the said transaction.
- 10 STC received a demand of Rs. 8,002 Lacs from NDMC during 2016-17 towards property tax for the period from 1999-2000 to 2016-17 and the same has been allocated proportionately to CCIC & HHEC. Out of total demand of Rs. 8,002 Lacs, STC has paid Rs. 2,212 Lacs during 2016-17 against which CCIC has paid its share of Rs. 115 Lacs. However, HHEC has not paid its share, hence provision to the extent of share of HHEC out of payment of Rs. 2,212 Lacs has already been made.
- 11 "Advances includes a sum of Rs. 8,739 Lacs receivable from M/s MMT Nevyali, excluding contingent assets of Rs. 32,238 Lacs recoverable from one of the business associates, 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 Rs. 11,000 Lacs in its favour along with 12% interest per annum from 1st May 2006 till realization of award. However, the party and its partner filed application under sec 34 of arbitration act challenging the arbitral award. The applications have been heard and arguments completed on 28.01.2021 and order is reserved.
- 12 "Trade receivables of Rs. 5 Lacs (excluding Contingent Assets of Rs 18,413 Lacs) is receivable from M/s Balasore Alloys, the business associate Various legal cases i.e u/s 138 of N.A Act & u/s 482 of Cr. PC are pending before Hon'ble Courts in New Delhi are being pursued vigorously. STC in total has received Rs. 5,855 Lacs in terms of interim award dated 23.03.2017 of Arbitral Tribunal. Both side arguments got over and written submissions had also been submitted during January, 2020. However, as ICA was not publishing the award for want of payment of Rs. 50,47,250/- from M/s BAL and in absence of award, STC cannot proceed further with the execution of award. Hence an application requesting Hon'ble High Court of Delhi to direct ICA for publication of award was filed during October, 2021.
- 13 STC filed its petition dtd 15.06.2021 before AMRCD for recovery of its outstanding dues for Rs 22,172 Lacs from DOCA under various accounts arising out of implementation of 15% subsidy scheme of Pulses. AMRCD vide order dtd 29.05.2022 dropped STC's claims of Rs 9,734 Lacs and Rs 3,012 Lacs and accepted STC's claim of Rs 1,880 Lacs to the extent of Rs 1,425 Lacs. However on STC's claim of Rs 7,546 Lacs pertaining to M/s JK International as the matter is sub-judice STC has been asked to take up the matter afresh before AMRCD after Court decision, if felt necessary.

#### 40 Commitments

(₹ Lacs)

Particulars	31.03.2022	31.03.2021
Capital Commitments :		
PPE	199.31	359.97
Intangible Assets	6.37	6.37
<b>Total</b>	<b>205.68</b>	<b>366.33</b>
Other Commitments	-	-

## Notes to accounts for the year ended March 31, 2022

### 41 Disclosures in respect of Ind AS 107 - Financial Instruments

#### 41.1 Financial Instruments by Categories & Fair Value Hierarchy

- a) Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active markets.
- b) Level 2 - Level 2 hierarchy includes financial instruments measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- c) Level 3 - Level 3 hierarchy includes financial instruments measured using inputs that are not based on observable market data (unobservable inputs). **The carrying value and fair value of financial instruments by categories were as follows:**

#### (a) As on March 31, 2022

(Rs. Lacs)

Particulars	Hierarchy Level	Amortized Cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at fair value through OCI	Total Carrying Value	Total Fair Value
Financial Assets:						
Investments in Equity Instruments (Ref Note No. 8)	3	1.04	-	-	1.04	1.04
Cash & Cash Equivalents (Ref Note No. 16)	3	2,842.16	-	-	2,842.16	2,842.16
Trade Receivable (Ref Note No. 9)	3	106,691.79	-	-	106,691.79	106,691.79
Employee Loans (Ref Note No. 10)	3	366.59	-	-	366.59	366.59
Security Deposits (Ref Note No. 10)	3	3,262.21	-	-	3,262.21	3,262.21
Other Financial Assets (Ref Note No. 11)	3	24,620.70	-	-	24,620.70	24,620.70
<b>Total</b>		<b>137,784.49</b>	<b>-</b>	<b>-</b>	<b>137,784.49</b>	<b>137,784.49</b>
Financial Liabilities:						
Trade Payable (Ref Note No. 21)	3	111,960.60	-	-	111,960.60	111,960.60
Borrowings (Ref Note No. 20 & 22)	3	80,623.24	-	-	80,623.24	80,623.24
Other Financial Liabilities (Ref Note No. 22)	3	39,677.68	-	-	39,677.68	39,677.68
<b>Total</b>		<b>232,261.52</b>	<b>-</b>	<b>-</b>	<b>232,261.52</b>	<b>232,261.52</b>

#### (b) As on March 31, 2021

(Rs. Lacs)

Particulars	Hierarchy Level	Amortized Cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at fair value through OCI	Total Carrying Value	Total Fair Value
Financial Assets:						
Investments in Equity Instruments (Ref Note No. 8)	3	1.04	-	-	1.04	1.04
Cash & Cash Equivalents (Ref Note No. 16)	3	8,642.32	-	-	8,642.32	8,642.32
Trade Receivable (Ref Note No. 9)	3	106,694.01	-	-	106,694.01	106,694.01
Employee Loans (Ref Note No. 10)	3	347.32	-	-	347.32	347.32
Security Deposits (Ref Note No. 10)	3	4,613.40	-	-	4,613.40	4,613.40
Other Financial Assets (Ref Note No. 11)	3	15,169.86	-	-	15,169.86	15,169.86
<b>Total</b>		<b>135,467.96</b>	<b>-</b>	<b>-</b>	<b>135,467.96</b>	<b>135,467.96</b>
Financial Liabilities:						
Trade Payable (Ref Note No. 21)	3	112,092.86	-	-	112,092.86	112,092.86
Borrowings (Ref Note No. 20 & 22)	3	80,623.24	-	-	80,623.24	80,623.24
Other Financial Liabilities (Ref Note No. 22)	3	36,642.63	-	-	36,642.63	36,642.63
<b>Total</b>		<b>229,358.73</b>	<b>-</b>	<b>-</b>	<b>229,358.73</b>	<b>229,358.73</b>

The carrying amounts of trade receivables, cash and cash equivalents, borrowings (short term credit), trade payables are considered to be the same as their fair values, due to their short-term nature.

## 41.2 Financial risk management

### Financial risk factors

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

Risk	Exposure Arising From	Measurement
Market risk- Foreign Exchange	Future commercial transactions, Recognized financial assets and financial liabilities	Cash flow forecasting, sensitivity analysis
Market risk- Interest rate	Long term borrowings at variable rate of interest	Sensitivity analysis
Market risk- Security price fluctuation	Mutual fund Investments	Sensitivity analysis
Credit risk	Cash and cash equivalent, trade receivables, security deposits, financial instruments.	Ageing analysis Credit rating
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts

#### a. Market risk

##### i) Foreign Currency risk

The Company operates at international level which exposes the company to foreign currency risk arising from foreign currency transaction arising primarily from USD & EURO. Foreign currency risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency other than INR as on reporting date.

##### (a) As on 31.03.2022

Particulars	US Dollars (in Equiv. INR)	Euro (in Equiv. INR)	Other Currencies (in Equiv. INR)	Total
Cash & cash equivalents	-	-	-	-
Trade Receivable	141,139.64	1,479.67	-	142,619.31
<b>Total Receivable in Foreign Currency</b>	<b>141,139.64</b>	<b>1,479.67</b>	<b>-</b>	<b>142,619.31</b>
Trade Payables	1,665.41	-	4.25	1,669.66
<b>Total payable in Foreign currency</b>	<b>1,665.41</b>	<b>-</b>	<b>4.25</b>	<b>1,669.66</b>
<b>Net Assets/(Liabilities)</b>	<b>139,474.24</b>	<b>1,479.67</b>	<b>(4.25)</b>	<b>140,949.66</b>

##### (b) As on 31.03.2021

Particulars	US Dollars (in Equiv. INR)	Euro (in Equiv. INR)	Other Currencies (in Equiv. INR)	Total
Trade Receivable	141,119.77	1,479.67	-	142,599.44
<b>Total Receivable in Foreign Currency</b>	<b>141,119.77</b>	<b>1,479.67</b>	<b>-</b>	<b>142,599.44</b>
Trade Payables	1,665.41	2.00	4.32	1,671.72
<b>Total payable in Foreign currency</b>	<b>1,665.41</b>	<b>2.00</b>	<b>4.32</b>	<b>1,671.72</b>
<b>Net Assets/(Liabilities)</b>	<b>139,454.36</b>	<b>1,477.68</b>	<b>(4.32)</b>	<b>140,927.72</b>

Particulars	Impact on profit after tax	
	March 31, 2022	March 31, 2021
Increase by -%	Negligible or no impact	
Decrease by -%		

##### ii) Interest rate risk

The company's main interest rate risk arises from long term and short term borrowings with variable rates, which expose the company to cash flow interest rate risk. During March 31, 2022 and March 31, 2021, Company's borrowings are denominated in INR.

The exposure of company's borrowings to interest rate changes at the end of reporting period are as follows:

(Rs. Lacs)

Particulars	March 31, 2022	March 31, 2021
Variable rate borrowings	-	-
Fixed rate borrowings	80,623.24	80,623.24
<b>Total borrowings</b>	<b>80,623.24</b>	<b>80,623.24</b>

**Sensitivity**

Profit or loss is sensitive to higher/lower expense from borrowings as a result of change in interest rates. The table summarises the impact of increase/decrease in interest rates on Profit or loss.

Particulars	Impact on profit after tax	
	March 31, 2022	March 31, 2021
Interest rates- increase by (%)	No Impact	
Interest rates- decrease by (%)		

**iii) Security price fluctuation risk**

The company's exposure to security price risk arises from company's investments in mutual funds and classified in the balance sheet as fair value through profit and loss.

**Sensitivity**

The table below summarises the impact of increase/decrease of the investment by certain percentage on Profit or Loss of the company.

Particulars	Impact on profit after tax	
	March 31, 2022	March 31, 2021
Interest rates- increase by (%)	No Impact	
Interest rates- decrease by (%)		

**b) Credit Risk**

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

**Trade Receivables & Unbilled Revenue**

(Rs. Lacs)

Particulars	March 31, 2022	March 31, 2021
Trade Receivables	169,419.41	169,423.64
Unbilled Revenue	-	-

Trade receivables and unbilled revenue are both secured & unsecured and are derived from revenue earned from customers. On account of adoption of Ind-AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the company's historical experience for customers.

**Credit risk exposure**

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

(Rs. Lacs)

Particulars	March 31, 2022		March 31, 2021	
	Gross	Impairment	Gross	Impairment
Not past due	-	-	-	-
Past due upto 6 Months	-	-	-	-
Past due more than six months but not more than one year	-	-	-	-
More than one year	169,419.41	62,727.62	169,423.64	62,729.63
<b>Total</b>	<b>169,419.41</b>	<b>62,727.62</b>	<b>169,423.64</b>	<b>62,729.63</b>



Trade receivables are impaired when recoverability is considered doubtful based on the recovery analysis performed by the company for individual trade receivables. The company considers that all the above financial assets that are not impaired and past due for each reporting dates under review are of good credit quality.

#### **Other Financial Assets**

Credit risk relating to cash and cash equivalents is considered negligible because our counterparties are banks. We consider the credit quality of term deposits with such banks that are majority owned by the Government of India and subject to the regulatory oversight of the Reserve Bank of India to be good, and we review these banking relationships on an ongoing basis. Credit risk related to employee loans are considered negligible since loan is secured against the property/guarantee for which loan is granted to the employees. There are no impairment provisions as at each reporting date against these financial assets. We consider all the above financial assets as at the reporting dates to be of good credit quality (Note if any impairment provisions are made against these financial assets then information to be provided)

#### **C Liquidity Risk**

Our liquidity needs are monitored on the basis of monthly and yearly projections. The company's principal sources of liquidity are cash and cash equivalents, cash generated from operations and credit facilities from banks

We manage our liquidity needs by continuously monitoring cash inflows and by maintaining adequate cash and cash equivalents. Net cash requirements are compared to available cash in order to determine any shortfalls.

Short term liquidity requirements consists mainly of sundry creditors, expense payable, employee dues arising during the normal course of business as of each reporting date. We maintain a sufficient balance in cash and cash equivalents to meet our short term liquidity requirements.

We assess long term liquidity requirements on a periodical basis and manage them through internal accruals.

The table below provides details regarding the contractual maturities of non-derivative financial liabilities. The table have been drawn up based on the undisclosed cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The table includes both principal & interest cash flows.

#### **(a) As on March 31, 2022**

**(Rs. Lacs)**

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	-	29,840.90	639.51	1,062.37	80,417.81	111,960.60
Short term borrowings	-	-	80,623.24	-	-	80,623.24
Other Financial Liabilities	15,153.46	401.41	5,515.64	7,904.66	10,702.51	39,677.68
<b>Total</b>	<b>15,153.46</b>	<b>30,242.32</b>	<b>86,778.39</b>	<b>8,967.03</b>	<b>91,120.32</b>	<b>232,261.52</b>

#### **(b) As on March 31, 2021**

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	181.01	15,047.33	112.06	1,048.98	95,703.48	112,092.86
Short term borrowings	-	-	80,623.28	-	-	80,623.28
Other Financial Liabilities	4,908.52	29,011.94	-	-	2,710.00	36,630.46
<b>Total</b>	<b>5,089.52</b>	<b>44,059.27</b>	<b>80,735.34</b>	<b>1,048.98</b>	<b>98,413.48</b>	<b>229,346.60</b>

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

The amount of exchange differences (net) debited/credited to the Statement of Profit & Loss Rs. - 80.51 lacs (P.Y. Rs.69.60 lacs.)

#### **43 Disclosure in respect of Indian Accounting Standard (Ind AS)-23 "Borrowing Costs"**

The amount capitalized with Property, Plant & Equipments as borrowing cost is Rs. Nil . & Rs. Nil . for the year ended March 31, 2020 & March 31, 2019 respectively.

#### **44 Disclosure in respect of Indian Accounting Standard (Ind AS)-36 "Impairment of assets"**

During the year, the company assessed the impairment loss of Rs. Nil (P.Y. Rs.Nil.) on assets.

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

Operating Segments

- 1) Export
- 2) Import
- 3) Domestic

## Notes to accounts for the year ended March 31, 2022

### Identification of Segments

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

### Segment revenue and results

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

### Segment assets and liability

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

### Intersegment Transfers

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

### Segment Revenues and Results

(a) for the year ended March 31, 2022

(Rs. Lacs)

S. No.	Particulars	Export	Import	Domestic	Unallocated	Total
1	Segment Revenue					
1(a)	External Sales	-	-	-	-	-
1(b)	Inter segment revenue	-	-	-	-	-
	Segment Revenue (1(a) +1 (b))	-	-	-	-	-
2	Segments Results	-	-	-	-	-
3 (a)	Unallocated Corporate expenses net of unallocated income	-	273.58	-	9,502.89	9,776.47
3 (b)	Interest Expense	-	-	-	-	-
3 (c)	Interest Income	(72.85)	-	-	(635.82)	(708.67)
	Total [3(a)+3(b)+3(c) ]	(72.85)	273.58	-	9,999.52	10,200.26
4	Profit before tax from ordinary activities [(2)- 3(a ),(b) & (c )]	(72.85)	(273.58)	-	2,576.63	2,230.20
5	Exceptional Items	-	-	-	7,089.93	7,089.93
6	Income taxes	-	-	-	4,536.95	4,536.95
7	Net Profit after tax (4)- (5) -(6)	(72.85)	(273.58)	-	(9,050.25)	(9,396.67)
8	Interest in results of JV's	-	-	-	-	-
9	Other Information :	-	-	-	-	-
9 (a)	Segment Assets	9,036.22	95,332.14	-	125,364.73	229,733.09
9 (b)	Segment Liabilities	10,648.30	105,825.97	-	133,016.04	249,490.31
9 (c)	Capital Expenditure	-	-	-	-	-
9 (d)	Depreciation	-	-	-	-	-
9 (e)	Non-Cash expenses other than depreciation	72.85	-	-	-	72.85

(b) for the year ended March 31, 2021

(Rs. Lacs)

S. No.	Particulars	Export	Import	Domestic	Unallocated	Total
1	Segment Revenue	-	-	-	-	-
1(a)	External Sales	-	1,213.23	23,450.97	-	24,664.20
1(b)	Inter segment revenue	185.28	-	131.66	-	316.94
	Segment Revenue [1(a) +1 (b)]	185.28	1,213.23	23,582.64	-	24,981.14
2	Segments Results	185.28	1,153.34	23,582.64	-	24,921.25
3 (a)	Unallocated Corporate expenses net of unallocated income	-	151.68	-	30,986.71	31,138.38
3 (b)	Interest Expense	72.85	-	-	-	72.85

## Notes to accounts for the year ended March 31, 2022

(Rs. Lacs)

S. No.	Particulars	Export	Import	Domestic	Unallocated	Total
3 (c)	Interest Income	-	-	-	(1,093.71)	(1,093.71)
	Total [3(a)+3(b)+3(c)]	72.85	151.68	-	29,893.00	30,117.52
4	" Profit before tax from ordinary activities [(2)- 3(a ),(b) & (c ) ] "	112.43	1,001.66	23,582.64	(29,893.00)	(5,196.27)
5	Exceptional Items	-	(19.25)	-	(55.25)	(74.50)
6	Income taxes	-	-	-	-	-
7	Net Profit after tax [(4)- (5) -(6)]	112.43	1,020.91	23,582.64	(29,837.75)	(5,121.78)
8	Interest in results of JV's	-	-	-	-	-
9	Other Information :	-	-	-	-	-
9 (a)	Segment Assets	9,036.22	38,536.29	-	188,225.94	235,798.45
9 (b)	Segment Liabilities	10,648.30	48,995.50	-	187,074.40	246,718.20
9 (c)	Capital Expenditure	-	-	-	94.28	94.28
9 (d)	Depreciation	-	-	-	1,588.19	1,588.19
9 (e)	Non-Cash expenses other than depreciation	72.85	-	-	-	72.85

## Notes to accounts for the year ended March 31, 2022

### NOTE NO. 46 :

#### Disclosure as per INDAS 19 Employee Benefits

##### (i) Defined Contribution plans:

###### A. 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 VDA of eligible employees and the funds of the trust are managed by LIC. An employee leaves the company before completion of 15 years only employee avail the benefit of this scheme. In case the employee leaves the company before completion of 15 years only employee contribution along with interest is payable to him. However, this condition does not apply to the employees who join other CPSE having the same Pension Scheme.

##### (l) Defined benefit plans:

###### A. Provident fund

Company pays fixed contribution to Provident Fund at pre determined 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. (Refer Note 30 for expenses on this account) 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.

###### B. 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 ( $15/26 \times$  last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of Rs. 20 lakhs on superannuation, resignation, termination, disablement or death.

Based on the actuarial valuation, the following table sets out the status of the gratuity and the amounts recognised in the Company's financial statements as at balance sheet date:

	(Rs. Lacs)	
Net defined benefit (asset)/liability :	31.03.2022	31.03.2021
Current	487.11	760.64
Non-Current	1,226.28	1,405.32
Total PBO at the End of year	1,713.40	2,165.96

#### Movement in net defined benefit (asset)/liability

**Movement in net defined benefit (asset)/liability**
**(Rs. Lacs)**

S.No.	Particulars	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit (asset) liability	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
A	Opening balance	2,165.96	3,485.81	2,144.59	3,533.55	21.37	(47.74)
B	<b>Included in profit or loss:</b>	-	-	-	-	-	-
(i)	Current service cost	59.81	73.08	-	-	59.81	73.08
(ii)	Past service cost	-	-	-	-	-	-
(iii)	Interest cost (income)	144.69	227.28	(143.26)	(230.39)	1.43	(3.11)
	<b>Total amount recognised in profit or loss (i+ii+iii)</b>	<b>204.49</b>	<b>300.35</b>	<b>(143.26)</b>	<b>(230.39)</b>	<b>61.23</b>	<b>69.97</b>
C	<b>Included in OCI:</b>	-	-	-	-	-	-
	Remeasurement loss (gain):	-	-	-	-	-	-
	Actuarial loss (gain) arising from :	-	-	-	-	-	-
(i)	Financial assumptions	(29.85)	(17.13)	-	-	(29.85)	(17.13)
(ii)	Experience adjustment	113.20	2.84	-	-	113.20	2.84
(iii)	Demographic Assumption	-	-	-	-	-	-
(iv)	Return on plan assets excluding interest income	-	-	29.08	13.44	29.08	13.44
	<b>Total amount recognised in other comprehensive income (i+ii+iii)</b>	<b>83.35</b>	<b>(14.29)</b>	<b>29.08</b>	<b>13.44</b>	<b>112.43</b>	<b>(0.86)</b>
D	Other	-	-	-	-	-	-
E	Contribution Paid to the Fund	-	-	-	-	-	-
F	Benefits paid	(740.41)	(1,611.50)	(740.41)	(1,611.50)	-	-
G	Acquisition Adjustment	-	5.59	-	5.59	-	-
h	<b>Closing balance (A+B-C+D+E+F+g)</b>	<b>1,713.40</b>	<b>2,165.96</b>	<b>1,518.36</b>	<b>2,144.59</b>	<b>195.03</b>	<b>21.37</b>

The Fair Value of Plan Assets at the end of the reporting period is as follows:-

**(Rs. Lacs)**

S.No.	Net defined benefit (asset)/liability :	As at 31.03.2022	As at 31.03.2021
(A)	<b>Balance with Bank</b>		
	SBI	0.07	0.07
	Yes Bank	-	4.15
	IDBI	9.57	10.31
	<b>Total (A)</b>	<b>9.64</b>	<b>14.53</b>
(B)	<b>Group Gratuity Traditional Fund Scheme</b>	-	
	Bajaj Allianz	1,140.12	1,099.29
	SBI Life	1.58	26.79
	HDFC Standard Life Insurance	376.65	1,003.99
	<b>Total (B)</b>	<b>1,518.35</b>	<b>2,130.06</b>
	<b>Grand Total (A+B)</b>	<b>1,527.99</b>	<b>2,144.59</b>

## Notes to accounts for the year ended March 31, 2022

### C. Post-Retirement Medical Benefit Scheme (PRMB)

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.

Based on the actuarial valuation, the following table sets out the status of the PRMB and the amounts recognised in the Company's financial statements as at balance sheet date:

Earned Leave	(Rs. Lacs)	
Net defined benefit (asset)/liability :	31.03.2022	31.03.2021
Current	930.06	912.17
Non-Current	10,447.74	10549.00
Total PBO at the End of year	11,377.80	11,461.17

### Movement in net defined benefit (asset)/liability (Rs. Lacs)

S.No.	Particulars	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit (asset) liability	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
A	Opening balance	11,461.17	11,483.04	-	-	11,461.17	11,483.04
B	<b>Included in profit or loss:</b>	-	-	-	-	-	-
(i)	Current service cost	41.65	49.42	-	-	41.65	49.42
(ii)	Past service cost	-	-	-	-	-	-
(iii)	Interest cost (income)	765.61	748.69	-	-	765.61	748.69
	<b>Total amount recognised in profit or loss</b>	<b>807.26</b>	<b>798.11</b>	<b>-</b>	<b>-</b>	<b>807.26</b>	<b>798.11</b>
C	<b>Included in OCI:</b>	-	-	-	-	-	-
	Remeasurement loss (gain):	-	-	-	-	-	-
	Actuarial loss (gain) arising from :	-	-	-	-	-	-
(i)	Financial assumptions	(671.63)	(157.80)	-	-	(671.63)	(157.80)
(ii)	Experience adjustment	-	(193.89)	-	-	-	(193.89)
(iii)	Return on plan assets excluding interest income	-	-	-	-	-	-
	<b>Total amount recognised in other comprehensive income</b>	<b>(671.63)</b>	<b>(351.69)</b>	<b>-</b>	<b>-</b>	<b>(671.63)</b>	<b>(351.69)</b>
D	Other	-	-	-	-	-	-
E	Benefits paid	(219.00)	(468.30)	-	-	(219.00)	(468.30)
F	<b>Closing balance (A+B+C+D+E)</b>	<b>11,377.80</b>	<b>11,461.17</b>	<b>-</b>	<b>-</b>	<b>11,377.80</b>	<b>11,461.17</b>

### D. 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.

## Notes to accounts for the year ended March 31, 2022

### Earned Leave

(Rs. Lacs)

Net defined benefit (asset)/liability :	31.03.2022	31.03.2021
Current	179.53	194.11
Non-current	731.08	774.33
<b>Total PBO at the End of year</b>	<b>910.62</b>	<b>968.44</b>

S. NO.	Particulars	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit (asset) liability	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
A	Opening balance	968.44	1,401.67	-	-	968.44	1,401.67
B	<b><u>Included in profit or loss:</u></b>	-	-	-	-	-	-
(i)	Current service cost	49.40	61.82	-	-	49.40	61.82
(ii)	Past service cost	-	-	-	-	-	-
(iii)	Interest cost (income)	64.69	91.39	-	-	64.69	91.39
C	<b><u>Remeasurement loss (gain):</u></b>	-	-	-	-	-	-
	Actuarial loss (gain) arising from :	-	-	-	-	-	-
(i)	Financial assumptions	(23.68)	(12.18)	-	-	(23.68)	(12.18)
(ii)	Experience adjustment	42.57	(12.67)	-	-	42.57	(12.67)
(iii)	Demographic Assumption	-	-	-	-	-	-
(iii)	Return on plan assets excluding interest income	-	-	-	-	-	-
	<b><u>Total amount recognised in profit or loss ( B+C)</u></b>	<b>132.99</b>	<b>128.36</b>	-	-	<b>132.99</b>	<b>128.36</b>
D	Other	-	-	-	-	-	-
E	Benefits paid	(190.81)	(561.60)	-	-	(190.81)	(561.60)
	<b>Closing balance (A+B+C+D+E)</b>	<b>910.62</b>	<b>968.44</b>	-	-	<b>910.62</b>	<b>968.44</b>

### Sick Leave / (HPL)

(Rs. Lacs)

Net defined benefit (asset)/liability :	31.03.2022	31.03.2021
Current	88.37	73.07
Non-current	280.77	301.41
<b>Total PBO at the End of year</b>	<b>369.14</b>	<b>374.48</b>

## Notes to accounts for the year ended March 31, 2022

As on 31.03.2022

(Rs. Lacs)

S.NO.	Particulars	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit (asset) liability	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
A	Opening balance	374.48	888.28	-	-	374.48	888.28
B	<b>Included in profit or loss:</b>	-	-	-	-	-	-
(i)	Current service cost	16.09	21.38	-	-	16.09	21.38
(ii)	Past service cost	-	-	-	-	-	-
(iii)	Interest cost (income)	25.02	57.92	-	-	25.02	57.92
C	<b>Remeasurement loss (gain):</b>	-	-	-	-	-	-
	Actuarial loss (gain) arising from	-	-	-	-	-	-
(i)	Financial assumptions	(7.71)	(4.76)	-	-	(7.71)	(4.76)
(ii)	Experience adjustment	2.20	(430.79)	-	-	2.20	(430.79)
(iii)	Demographic Assumption	-	-	-	-	-	-
(iv)	Return on plan assets excluding	-	-	-	-	-	-
	<b>Total amount recognised in profit or loss (B+C)</b>	<b>35.60</b>	<b>(356.25)</b>	<b>-</b>	<b>-</b>	<b>35.60</b>	<b>(356.25)</b>
D	Other	-	-	-	-	-	-
E	Benefits paid	(40.94)	(157.55)	-	-	(40.94)	(157.55)
	<b>Closing balance (A+B+C+D+E)</b>	<b>369.14</b>	<b>374.48</b>	<b>-</b>	<b>-</b>	<b>369.14</b>	<b>374.48</b>

### 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 @ Rs. 1,000/- per year for each completed year of service is also given at the time of retirement subject to a maximum of Rs. 30,000/-. The same has been discontinued vide personnel division Circular dated 13.06.2017.

### F Actuarial Assumptions

The following were the principal actuarial assumptions at the reporting date

S.No.	Particulars	31.03.2022	31.03.2021
1	Discount Rate	7.00%	6.68%
2	Future Salary Increase	8%	8%
3	Medical Cost Increase	8%	8%

- i The discount rate is based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that of the liability
- ii Salary Growth rate is company's long term best estimate as to salary increases & takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting period.
- iii Medical Cost increase rate is company's long term best estimate as to cost increases taking into account of inflation, other relevant factors on long term basis as provide in relevant accounting period.

### G Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

As on 31.03.2022



## Notes to accounts for the year ended March 31, 2022

As on 31.03.2022

(Rs. Lacs)

Assumption	Change in Assumption	Gratuity	PRMB	Earned Leave	Half Pay Leave
		(Funded)	(Non Funded)		
Discount rate	0.50%	(44.14)	(625.12)	(34.51)	(11.42)
	-0.50%	47.23	652.59	37.69	12.17
Salary growth rate	0.50%	14.03	-	36.91	11.93
	-0.50%	(14.90)	-	(34.43)	(11.39)
Medical Cost Increase	0.50%	-	670.35	-	-
	-0.50%	-	(639.85)	-	-

As on 31.03.2021

Assumption	Change in Assumption	Gratuity	PRMB	Earned Leave	Half Pay Leave
		(Funded)	(Non Funded)		
Discount rate	0.50%	(44.14)	(625.12)	(34.51)	(11.42)
	-0.50%	47.23	652.59	37.69	12.17
Salary growth rate	0.50%	14.03	-	36.91	11.93
	-0.50%	(14.90)	-	(34.43)	(11.39)
Medical Cost Increase	0.50%	-	670.35	-	-
	-0.50%	-	(639.85)	-	-

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated by actuarial

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable

### Risk Exposure

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

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

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

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

**Mortality & Disability-** Actual deaths & Disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

**Withdrawals-** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's Liability.

Maturity Profile of Defined Benefit Obligations(Rs. Lacs)

## Notes to accounts for the year ended March 31, 2022

As on 31.03.2022

(Rs. Lacs)

Year of payment	Gratuity	PRMB	Earned Leave	Half Pay Leave
	(Funded)	(Non Funded)		
Less than 1 year	487.11	930.06	179.53	88.37
Between 1-2 years	169.53	1,079.92	77.86	34.66
Between 2-3 years	136.74	1,105.24	63.04	29.85
Between 3-4 years	192.10	1,166.25	74.90	31.23
Between 4-5 years	92.97	1,242.10	46.31	19.12
Over 5 years	634.94	5,853.23	468.97	165.91

### Maturity Profile of Defined Benefit Obligations

As on 31.03.2021

(Rs. Lacs)

Year of payment	Gratuity	PRMB	Earned Leave	Half Pay Leave
	(Funded)	(Non Funded)		
Less than 1 year	760.64	912.17	194.11	73.07
Between 1-2 years	215.95	1,103.26	115.23	23.66
Between 2-3 years	147.05	1,177.25	58.43	20.57
Between 3-4 years	154.35	1,292.83	76.85	22.41
Between 4-5 years	157.59	1,434.27	55.72	28.68
Over 5 years	730.38	5,541.40	468.09	206.10

#### 47. Disclosure in respect of Indian Accounting Standard 24 "Related Parties Disclosures"

##### a. List of Related Party

(i) Subsidiaries: STCL Ltd.

(ii) Joint Ventures: N.S.S Satpura Agro Development Company Limited

(iii) Others: Sealac Agro Ventures Ltd.

Name	Designation	Remarks
Shri SK Sharma	Director-Personnel	Additional Charge of CMD w.e.f.01.08.2020
Shri. NAN Jayakumar	Director-Marketing	w.e.f 12.06.2019
Shri. Kapil Kumar Gupta	Director- Marking (MMTC)	Additional Charge of STC w.e.f. 03.06.2020
Smt. Rooma Nagrath	Chief Financial Officer	w.e.f. 21.12.2018
Shri. DP Mishra	Chief General Manager	w.e.f 03.03.2021
Shri. S.K. Meena	Joint General Manager	w.e.f 03.03.2021
Shri. Brijesh Prasad	Joint General Manager	w.e.f 03.03.2021
Shri. Sanjeev Puri	Joint General Manager	w.e.f 03.03.2021
Shri AK Swain	Deputy General Manager	w.e.f 03.03.2021
Shri B.S Rao	Chief Financial Officer	w.e.f 12.02.2022
Shri Vipin Kumar Tripathi	Company Secretary	w.e.f. 20.12.2019

##### c. Post Employment benefit plans

- 1 The STC of India Ltd. Employees Provident Fund Trust.
- 2 The STC of India Ltd. Gratuity Fund Trust.
- 3 STC Employees Defined Contribution Superannuation pension trst.

## Notes to accounts for the year ended March 31, 2022

### d. Entities under the control of the same Government

The company is a Central Public Sector Undertaking (CPSU) controlled by Central Government by hold majority of shares (refer note no. 18), Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The company has applied exemption available for government related entities and has made limited disclosure in the financial statements. Such entities with which the Company has significant transactions include but not limited to Ministry of Fertilizers and chemicals.

### l) Transactions with the related parties are as follows:

Subsidiaries and Joint Venture Companies Particulars	Subsidiaries		Joint Venture Companies	
	2020-22	2020-21	2021-22	2020-21
Rent Received (Rs. Lacs)	0.02	0.02	NIL	

### Compensation to Key Management Personnel

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
- Short-term Employee benefits	183.69	140.91
- Post-employment benefits	179.34	10.43
- Termination benefits	-	-
- Other long-term benefits	19.26	5.92
<b>Total</b>	<b>382.30</b>	<b>157.25</b>

Particulars	The STC of India Ltd. Employees Provident Fund Trust		STC Employee Defined Contribution Superannuation Pension Trust		The STC Gratuity Fund Trust	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
STC Contribution for the year	172.87	271.00	125.42	224.61	-	-
Outstanding Balance at the end of the Year with STC	39.69	39.87	15.06	15.83	195.03	22.60

### Transactions with the Related Parties under the control of the same Government

(Rs. Lacs)

S. No.	Name of the Govt. Deptt. / Govt. entity	Nature of relationship with Entity	Nature of Transaction	2021-22	2020-21
1	SBI Personalised Banking Branch	Govt	Rent+CMC	183.25	204.32
2	SBI IFB Branch	Govt	Rent+CMC	729.68	729.68
3	SBI CAG Branch	Govt	Rent+CMC	643.02	643.02
4	SBI Overseas Branch	Govt	Rent+CMC	921.99	921.99
5	Special Protection Group	Govt	Rent+CMC	31.44	30.68
6	Security Printing & Minting Corporation	Govt	Rent+CMC	583.91	574.53
7	IRCTC	Govt	Rent+CMC	19.24	19.24
8	Office of Chief Comptroller	Govt	Rent+CMC	361.85	253.98

## Notes to accounts for the year ended March 31, 2022

(Rs. Lacs)

9	IBEF	Govt	Rent+CMC	-	101.09
10	NOIDA SEZ	Govt	Rent+CMC		30.44
11	15th Finance Commission	Govt	Rent+CMC		594.23
12	Department of admist. Reform and Public Relations	Govt	Rent+CMC	1,479.09	493.03
13	Department of Economic Affairs	Govt	Rent+CMC	588.31	23.34
14	NCLT	Govt	Rent+CMC	280.04	280.04
15	ONGC	Govt	Rent	210.99	210.99
16	Commission of Air Quality Index	Govt	Rent+CMC	621.80	
17	DOPT	Govt	Rent+CMC	723.88	

**ii) Outstanding balances with related parties are as follows:**

(Rs. Lacs)

Particulars	March 31, 2022	March 31, 2021
- From Subsidiaries		
- From Joint Ventures		
- From Key Managerial personnel		NIL
- From Others		
Amount recoverable other than loans :		
- From Subsidiaries		
- From Joint Ventures	0.02	0.02
- From Key Managerial personnel		
- From Post employment benefit plans		NIL
Amount Payable		
- From Subsidiaries		
- From Joint Ventures		
- From Key Managerial personnel		NIL
- From Others		

**iv) Terms and conditions of transactions with the related parties**

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

**48. DISCLOSURE AS PER IND AS 27 'SEPARATE FINANCIAL STATEMENTS'**

Company Name	Country of Incorporation	Proportion of Ownership	
		31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
STCL Limited	India	100%	100%

**b) Investment in Joint Venture Entities/Associates:**

Particulars	Country of Incorporation	Proportion of Ownership	
		31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
NSS Satpura Agro Development Company Limited	India	25%	25%
Richfield Aquatech Ltd.		Investment have been written off in earlier years	
Blue Gold Maritech Ltd.			
National Tannery Company Ltd.			
Indopirin Gloves Limited.			

## Notes to accounts for the year ended March 31, 2022

### 49 Disclosure in respect of Indian Accounting standard (Ind AS) 116 "Leases"

#### 49. 1As lessee

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation charged for right to use asset	-	40.33
Interest expense on lease liability	-	1.92
Expense related to short term lease (less than 12 months)	-	-
total cashoutflow for leases	-	1.92
additions to right to use assets	-	-
the carrying amount of right to use assets at the end of reporting period by class of underlying asset	-	329.65

#### 49. 2As lessor

##### a) Future minimum lease payments under non-cancellable operating leases are receivable as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Within less than 1 year	-	-
Between 1 year and 5 years	-	-
After more than 5 years	-	-

##### Payments recognised in Statement of Profit & Loss

(Rs. Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Income - generating property	6,655.99	4,724.21
Vacant Property		
Self Occupied Property		

### 50 Disclosure in respect of Indian Accounting Standard (IndAS)-33 "Earnings Per Share(EPS)"

#### a) Basic EPS

The earnings and weighted average number of ordinary shares used in the calculation of basic EPS is as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Face Value Per Equity Share (Rs.)	10	10
Profit (loss) for the year, attributable to the owners of the company (A)	(8,837.48)	(4,769.23)
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	600.00	600.00
<b>Basic EPS (A/B)</b>	<b>(14.73)</b>	<b>(7.95)</b>

#### b) Diluted EPS

The earnings and weighted average number of ordinary shares used in the calculation of Diluted EPS is as follows:

(Rs. Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit (loss) for the year, attributable to the owners of the company (A)	(8,837.48)	(4,769.23)
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	600.00	600.00
<b>Diluted EPS (A/B)</b>	<b>(14.73)</b>	<b>(7.95)</b>

## Notes to accounts for the year ended March 31, 2022

### 51 Dividends

(Rs. Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(I) No. of Equity Shares (in lacs)	600.00	600.00
(ii) Dividends not recognised at the end of year.	-	-

### 52. Assets Pledged as Security

Company Name	For the year ended March 31, 2022	For the year ended March 31, 2021
Current/Non-currentNIL	NIL	
Financial/Non-Financial Assets		
First Charge/Floating ChargeTrade Receivables of the company	Trade Receivables of the company	

### 53. Disclosure

#### Following Ratios to be disclosed:-

(a) Current Ratio,	0.60	0.31
(b) Debt-Equity Ratio,	(12.63)	(22.59)
(c) Debt Service Coverage Ratio,	(0.06)	(0.06)
(d) Return on Equity Ratio,	-	-
(e) Inventory turnover ratio,	-	2,506.73
(f) Trade Receivables turnover ratio,	-	0.25
(g) Trade payables turnover ratio,	-	0.21
(h) Net capital turnover ratio,	-	-
(I) Net profit ratio,	-	(0.21)
(j) Return on Capital employed,	0.25	(0.05)
(k) Return on investment.	-	0

1. **Current Ratio** : Current Assets/ Liabilities, Current Assets include inventories, trade receivable , Cash & cash equivalents, Loans, other financial assets. Current Liabilities include Borrowing, trade Payable , other financial liabilities and other current liabilities
2. **Debt-Equity Ratio** : Debt /Equity, Debt include Total Liabilities other than Shareholder fund
3. **Debt Service Coverage Ratio**: EBIT/Borrowing +Interest
4. **Return on Equity**: Net Profit/ Share holder fund
5. **Inventory Turnover Ratio**: Cost of Goods Sold/ Average Inventory
6. **Trade Receivables turnover ratio**: Net Credit Sale/ Average Trade Receivable
7. **Trade payables turnover ratio**: Credit purchase/ Average Trade Payable
8. **Net capital turnover ratio**: Turnover / shareholder fund
9. **Net Profit Ratio** : Net Profit / Turnover
10. **Return on Capital employed** : EBIT/ Shareholder Fund + Longterm Debts
11. **Return on investment** : Return / Cost of Investment

### 54. Disclosure

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoter	NIL	
Directors		
KMPs		
Related Parties		

## Notes to accounts for the year ended March 31, 2022

### 55. Balance confirmations & Reconciliation

Balance of certain receivables & payables (including in certain cases direct and indirect taxes) are subject to confirmation/reconciliation

### 56. Non-Going Concern

Consequent upon the decisions taken in the meeting held on 29.08.2019, by the administrative ministry and further decision of the Board in its 639th meeting dated 05.04.2021, it has been resolved that STC to continue as a non-operating company for the time being and to prepare the accounts from the F.Y. 2021-22 onward on non-going concern basis for the first time. Therefore the current year figures are not comparable with that of the previous year because accounts for FY 2020-21 were prepared on a going concern basis and the same has not been reclassified.

57. STC got a plot land at Mallet Bunder belonging to MBPT on lease for a period of 30 years. On the land leased there were three constructed oil storage tanks along with other required infrastructure. The lease period had already expired on 17.10.2016. On expiry initially STC was seeking extension of lease of plots with MbPT and consequent upon decision to stop trading activities by STC, we have written to MbPT on 10.07.2020 for surrendering of said plots. Subsequently, the surrender certificate was executed on 12.11.2021.

As regards 02 cases (EO/E-275 of 2018 dated 10.05.2019 and EO/E-274 of 18.04.2019) filed by MbPT against STC before the H'ble estate officer, STC has requested MbPT to settle the dispute through AMRCD mechanism which is binding on STC as well as on MbPT. On 18.04.2022 MbPT sought time to obtain approval for considering the STC's proposal for considering the STC's proposal for referring the matter to AMRCD for the settlement of dispute. NDOH is 24.05.2022.

The tanks installed at Mallet Bunder has been surveyed by the MbPT and three tank farms, Machinery way leave, Pipelines and other assets as per inventory (handed over on as is where is basis) with an understanding that the value of the same shall be adjusted and paid to STC. Hence, appropriate treatment will be effected upon arrival of such valuation..

### As per our report of even date attached

#### For Bhatia & Bhatia

Chartered Accountants

Firm Reg. No. 003202N

Sd/-  
**(CA. R. Bhatia)**  
Partner  
M. No. 017572

Sd/-  
**(K. K. Gupta)**  
Director Finance -  
MMTC Additional Charge of STC  
DIN -08751137

Sd/-  
**(S.K CHAWLA)**  
Independent Director  
DIN -09400987

Sd/-  
**(VIPIN TRIPATHI)**  
Company Secretary  
ACS -29378

Sd/-  
**(B S RAO)**  
CFO

Place: New Delhi

Dated: 27.05.2022

UDIN : 22017572AJTNDW6465

**MANAGEMENT REPLIES TO THE OBSERVATION OF STATUTORY AUDITORS ON THE  
STANDALONE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2021-22**

S. No.	Observation of the Statutory Auditor	Management Replies
<b>A.</b>	<b>Basis for Qualified Opinion</b>	
1	<p><b>Non -Current Assets held for Sale</b></p> <p>i) We draw your attention to Note No. 2(ii) regarding management decision to continue the company as non-operating company for the time being and to prepare the accounts from the financial year 2021-22 onwards as per non-going concern basis. Thus, there has been change in the significant accounting policies of the Company and the presentation of financial statements.</p> <p>As per Note No. 3.1 (e) in the Notes to accounts it is further stated that the financial statements for the year 2021-22 have been prepared on realization basis (non- going concern assumption) and the non-current assets have been classified as held for sale. Therefore, all the assets held for sale have been carried at their estimated realizable values. However, all the non-current assets held for sale i.e. Property, Plant and Equipment in absence of any report for realizable value have been stated at their respective historical values/carrying values as per books of accounts as on 31.03.2022 and not on realization basis. This is non-compliance of the accounting policy No. 3(e) of the Company and we are unable to comment upon the impact of the same on the financial statements.</p> <p>Further there is also non-compliance of requirements of IND AS-105.</p> <p>As per IND AS-105, "Non -Current Assets held for Sale and Discontinued Operations", it requires that asset that meet the criteria to be held for sale should be measured at lower of carrying amount and fair value less costs to sell and to be separately presented in the Balance Sheet and also result of discontinued operations to be presented separately in the Statement of Profit and Loss.</p> <p>However, no fair value estimation of the non-current assets held for sale have been carried out as on 31<sup>st</sup> March,2022 but is said to be under process. Thus, there is also non-compliance of IND AS 105 applicable to the Company.</p>	<p>In the year 2019-20, the valuation effect was taken into account on a conservative basis. Further, consequent to the adoption of accounting policy on non-going concern basis in FY 2021-22, Valuation for immovable assets will be conducted during FY-2022-23.</p>
	<p>ii) Refer to Note No.4(a) of Standalone Financial Statements, non-availability of title deeds in the name of the company in respect of following properties namely:</p> <p><b>a) Leasehold Building</b></p> <p>i. Leasehold land at Jawahar Vyapar Bhawan valued at Rs. 55,929 lacs</p> <p>ii. Leasehold land at Housing Colony at Aurobindo Marg valued at Rs. 12,394 lacs</p>	<p><b>(a) Jawahar Vyapar Bhawan &amp; STC Housing Colony, Malviya Nagar:</b></p> <p>Since there are some dues payable to L&amp;DO and DDA, efforts are being made to settle the same under the directions of MOC&amp;I. Moreover, MOC&amp;I is also taking up the matter directly with L&amp;DO. Title deeds when received shall be made available.</p>



	<p>iii. Plot at Mallet Bunder, Mumbai Port Trust valued at Rs. 1167 lacs</p> <p><b>b) Freehold Building</b></p> <p>i. 8 Residential Flats at Asian Games Village Complex, allotted by DDA amounting to Rs. 2720 lacs.</p> <p>ii. 7 apartments in different locations of Mumbai amounting to Rs. 1918 lacs</p>	<p><b>(a) (iii)</b> STC got a plot of land at Mallet Bunder belonging to MBPT on lease for a period of 30 years. On the land leased there were three constructed oil storage tanks along with other required infrastructure. The lease period had already expired on 17.10.2016. On expiry initially STC was seeking extension of lease of plots with MbPT and consequent upon decision to stop trading activities by STC, we have written to MbPT on 10.07.2020 for surrendering of said plots. Subsequently, the surrender certificate was executed on 12.11.2021.</p> <p><b>(b) (i &amp; ii)</b> With regard to AGVC and Mumbai R.O. are leasehold properties and the title deeds are not available.</p>
	<p>Further, lease period for plot at Mallet Bunder, Mumbai Port Trust has already expired and the land has been handed over to Mumbai Port Trust. Surrender certificate has been executed on 12.11.2021. But this still continues to be shown as non-current assets held for sale. Thus, non-current assets held for sale has been overstated by Rs. 1167 lacs. It will also have consequential impact on the Statement of Profit and Loss account resulting into understatement of loss by Rs. 1167 lacs.</p> <p>Further the farm tanks installed at Mallet Bunder amounting to Rs. 14.84 lacs have also been handed over on as is where is basis. The company has not raised any debit note for the same and thus non-current assets are being overstated by Rs. 14.84 lacs.</p> <p>Further, company has not amortized the value of the leasehold properties according to the IND AS 116 for the period expired till 31.03.2022 resulting into overstatement of non-current assets held for sale and consequential impact on loss of the company, the amount whereof could not be quantified in absence of complete data from the Company.</p>	<p>STC got a plot land at Mallet Bunder belonging to MBPT on lease for a period of 30 years. On the land leased there were three constructed oil storage tanks along with other required infrastructure. The lease period had already expired on 17.10.2016. On expiry initially STC was seeking extension of lease of plots with MbPT and consequent upon decision to stop trading activities by STC, we have written to MbPT on 10.07.2020 for surrendering of said plots. Subsequently, the surrender certificate was executed on 12.11.2021.</p> <p>The tanks installed at Mallet Bunder has been surveyed by the MbPT and three tank farms, Machinery way leave, Pipelines and other assets as per inventory (handed over on as is where is basis) with an understanding that the value of the same shall be adjusted and paid to STC. The valuation report is still pending, hence, appropriate treatment will be effected upon arrival of the report.</p>
	<p><i>iii) Refer Note No. 4, for non-adjustment of value/area in Fixed Assets Register against areas acquired by Delhi Metro Rail Corporation (DMRC) for construction of Metro Station &amp; by L&amp;DO for widening of the Road during Asian Games, as well as the flats/area of land sold by the company to The Handicrafts and Handloom Exports Corporation of India Limited (HHEC) for its Housing colony. Management is in correspondence with DMRC and concerned departments.</i></p> <p><i>This has resulted into overstatement of non-current assets held for sale and consequential impact on loss of the company, the amount whereof could not be quantified in absence of</i></p>	<p>This observation has been repeated since previous years. 325.685 square meters taken by NDMC for widening of roads during Asian Games and 388.91 square meters taken by DMRC for construction of Metro / Metro Station out of the total leasehold land allotted by L&amp; DO to STC for construction of office building at (Jawahar Vyapar Bhawan) Tolstoy Marg, Janpath, New Delhi. The Company has taken up the matter with L&amp;DO for reduction of both the area and the records will be updated in Fixed Assets register/Schedule in respect of its area &amp; after receipt of response. The response of</p>

	<p><i>complete data from the Company.</i></p>	<p>L&amp;DO is still awaited. Further, the matter is being followed up with L&amp;DO. Division is taking requisite action through regular follow-up. If matter is not resolved, STC may have to take AMRCD/ legal measures.</p> <p>As per STC's Board's decision dated 31.01.1975, 64 nos. of flats were sold to HHEC. The necessary accounting treatment was done in the year 1975-76 itself.</p>
<p>2</p>	<p><b>Trade Receivables</b></p> <p>All trade receivables amounting to 1,69,419.41 lacs as per Note No. 9 have been outstanding for more than 3 years. The Company has made provision for bad and doubtful debts amounting to Rs. 62,727.62 lacs and another sum of Rs. 67,833.68 lacs have been shown as "Having Significant increase in credit risk" since the same is under litigation. As per Note No.9, it is explained that no provision has been made for the same since the relevant creditors will be paid only after recovery of these trade receivables, though in most of the cases agreements are not tripartite.</p> <p>Further there has been no recovery during the Financial Year 2021-22 and there is no major update of legal cases which are pending at various forums. Thus trade receivable do not seems to be stated at realizable value less cost to be incurred to recover these trade receivables. There is also no balance confirmation available for these trade receivables as on 31.03. 2022 and hence we are unable to comment upon the genuineness and effect of the same on the financial statements, if any.</p> <p>We are of the view that all trade receivables amounting to 1,69,419.41 lacs are considered doubtful of recovery resulting into short provision for doubtful debts amounting to Rs. 1,06,691.79 lacs. Thus the provision for bad and doubtful debts has been understated by Rs. 1,06,691.79 lacs and consequential impact on the statement of profit and loss account resulting into understatement of loss by Rs. 1,06,691.79 lacs.</p> <p>Further in case of <b>M/s Rajat Pharmaceuticals Ltd (RPL)</b>, under note no.39, who drew bills of exchange on STC which were accepted upon receipt of overseas buyer's pre-acceptance to</p>	<p>Balances of trade receivables, trade payables and liabilities are being reconciled after completion of each transaction and the accounts are settled with the party. However, confirmation in respect of trade receivables and trade payables under litigation is not available at this stage, as it may be used against STC by the other party.</p> <p>Out of the total trade receivable of Rs. 1,69,419.41 lacs includes Rs. 67,833.68 lacs "having significant increase in credit risk" being under dispute/litigation. The company feels that even if no amount would eventually be recovered, no credit impairment is required for the credit risk since the creditor will be paid by the company only to the extent the amount is realized from the debtors.</p> <p>Further, this is a trading arrangement continuing since last many years. Since STC has already lodged its claim in the court and the matter are sub-judice, required provision shall be made after decision of the court.</p> <p>This observation has been repeated since previous years. Trade receivables include Rs. 56,844 Lacs (approx.) on account of export of pharma products to foreign buyers purchase from M/s Rajat Pharmaceuticals Ltd". (RPL). RPL drew bills of exchange on STC which were also accepted upon receipt of overseas buyers pre-acceptance to STC's bills of exchange. The foreign buyers i.e. M/s Loben Trading and M/s Sweetland, defaulted in making payment against the export bills. A claim of Rs.52,786 Lacs has been admitted by the</p>

	<p>STC's bills of exchange. However, the foreign buyers defaulted in making payments against the export bills and have gone into liquidation. A sum of Rs.527.86 crores has been admitted by the liquidator of one of the foreign buyer's i.e. Loben Trading Co. Pte. Ltd, Singapore. A Decree of Rs 62.47 crores approx. has been passed by Hon'ble Bombay High Court in favour of STC against the dues from another foreign buyer i.e Sweetland Trading Pte Ltd., Singapore. As of current date, RPL has gone into liquidation and official liquidator is appointed by Hon'ble High Court of Bombay. The matter is also under investigation by CBI. Banks &amp; Financial institutions have filed legal suit against RPL before DRT making STC also a party to the case claiming Rs. 476.47 Crore. Also refer to Note No. 39, for matters other than RPL, as all these matters are sub-judice and/or under investigation of CBI and we are unable to comment upon the genuineness and effect of the same on the Financial Statements.</p>	<p>liquidator of one of the foreign buyer i.e. Loben Trading Co.Pte Ltd, Singapore . A Decree of Rs 6,247 Lacs has been passed by Hon'ble Mumbai High Court in favour of STC against the dues from foreign buyer i.e. Sweetland Trading Pte Ltd. However, one of them has gone into liquidation and official liquidator is appointed by Hon'ble High Court Mumbai. The matter is also under investigation by CBI. No provision is required against the same. Banks &amp; Financial institutions have filed legal suit against RPL before DRT making STC also a party to the case claiming Rs. 47,647 Lacs.</p>
<p>3</p>	<p><b>Borrowings</b></p> <p>i) Refer to Note No. 20 &amp; 55, the view of the default by the company in paying due to interest amount to the banks, STC was declared NPA. The lender banks have initiated DRT proceedings against the company. The memorandum of the OTS (MOTS) proposal with lender banks is still in progress and is in line with the minutes of the high-level meeting held in 29.08.2019 and the further clarificatory letter dated 13.10.2020 of the Administrative Ministry. The liability towards banks is proposed to be settled by the way of transfer of title of identified property worth Rs.300 crore on "as is where is basis" as a full and final settlement.</p> <p>However, as per the recent correspondence between Canara Bank (lead bank) and STC dated 22.04.2022, the lender bank has given two options to the latter: -</p> <p>Execution of equitable mortgage in favour of the lead bank at Delhi so that lenders can legally proceed for sale of properties mentioned in the Settlement Agreement with the authority to sell and realise the sale amount.</p> <p>As joint suit is pending before the DRT-II, Delhi, the lenders shall proceed before DRT in execution of the consent decree for the accepted OTS amount of Rs. 300 cr.</p> <p>The decision making is pending with STC to convey their acceptance of suitable option for moving the MOTS ahead subject to seeking opinion from senior Government advocate. Pending settlement of OTS, the company has not provided any interest further in its financial statements during 2021-22.</p> <p>ii) Considering the fact that correspondence has been made by Canara Bank and STC in respect of the MOTS of Borrowings, the Borrowings have</p>	<p>In this connection, STC has obtained a legal opinion from Mr. Uday Gupta, Advocate Supreme Court of India wherein he has opined as under:-</p> <p><i>"STC can issue a Board Resolution in favor of the banks authorizing the banks to negotiate the aspect of sale / auction of the identified properties on behalf of STC. On the strength of the Board Resolution, the identified properties can be put to sale / auction immediately. The sale consideration so received would stand to the credit of the banks. The language of the Resolution would need to be drafted with consent of all parties to secure respective interests and avoid any confusion at any point of time."</i></p> <p>Further, STC has also obtained another legal opinion from Ms. Aishwarya Bhati, Ld. ASG who has further endorsed the opinion of Adv. Uday Gupta, stating that Board Resolution, would be best suited to protect the interests of both parties and also to have an amicable closure to a long-standing dispute.</p> <p>In reply the lead banker Canara Bank has vide letter dated 27.07.2022 concurred with the opinion by M/s Uday Gupta &amp; Associates along with two modifications in the draft MOTS, which are as under:</p> <ol style="list-style-type: none"> <li>1. That the account of STC will continue as settled account in their books till the sale proceeds of the entire identified properties are recovered and adjusted and</li> </ol>

	<p>been crystallized at Rs. 30,000 lacs on as is where is basis. However, contrary to this, borrowings have been reflected at Rs. 80,623.24 lacs as against 30000 lacs, thereby overstating the borrowings to the extent of Rs. 50,623.24 lacs. The management is of the opinion that the matter is still in discussion stage.</p> <p>This is also non-compliance of IND AS -109 as well as IND AS -10 (regarding events occurring after Balance Sheet date) by not taking into consideration the accounting effects of the events occurring after the balance sheet date regarding crystallization of bank loan amount at Rs. 30,000 lacs.</p>	<p>balance written off. (pg 6, 1<sup>st</sup> para)</p> <p>2. That banks will withdraw the pending DRT suit after realization of the balance OTS amount as agreed. (pg 5, 1<sup>st</sup> para).</p> <p>Matter has been forwarded to our legal counsel Mr. Uday Gupta for his opinion on the above letter from Canara Bank and reply is still awaited and matter also forwarded to OTS committee of STC</p>					
4	<p><b>Foreign Currency Receivables and Payables</b></p> <p>Currently, as per books of accounts, USD 3,149.35 lacs and Euros 20.90 lacs is receivable from its foreign buyers and USD 1665.41 lacs and Pound 0.04 lacs is payable to its foreign suppliers. In nutshell, there are foreign buyers and creditors standing in the financials of STC which have not been revalued in the FY 21-22, the potential impact of which is huge.</p> <p>Thus, the Company has not complied with Ind AS 21 (regarding Effects of Changes in Foreign Exchange) by not revaluing the carrying amounts, in most cases, of foreign currency receivables and payables which are under litigation/disputed.</p> <p>Therefore, we are unable to ascertain the potential impact on the financial statements, if any.</p>	<p>This observation has been repeated since previous years. The company has complied the requirements of IND AS 21, regarding effects of changes in foreign currency as on balance sheet dated. However, this pertains to cases under litigation and had been fully provided in earlier years and the carrying amounts are under dispute. The company has filed legal cases for such outstanding balances for both receivables and payables.</p>					
5	<p><b>Deferred tax Assets (Net)</b></p> <p>Refer Note No. 12 &amp; 55, the Company has MAT credit of Rs. 1347.81 lacs. However, there is no virtual certainty of profits in the future considering the high value of contingent liabilities, significant decrease in the sales value, negative net worth of the Company and decision of the board of directors regarding Non operative status of the Company dated 05.04.2021. This observation was also raised by the CAG auditors for the FY 2020-21. But still the MAT credit has not been reversed and this has resulted into understatement of loss by 1347.81 lacs and overstatement of Current assets by Rs. 1347.81 lacs.</p>	<p>The credit of MAT can be utilized by the company in the subsequent year(s) as mentioned in the table below. :</p> <table border="1"> <thead> <tr> <th>A.Y. in which MAT cr was created</th> </tr> </thead> <tbody> <tr> <td>2014-15 (Credit available up to Financial Year 31.03.2025)</td> </tr> <tr> <td>2016-17 (Credit available up to Financial Year 31.03.2027)</td> </tr> <tr> <td>2017-18 (Credit available up to Financial Year 31.03.2028)</td> </tr> <tr> <td style="text-align: center;"><b>Total</b></td> </tr> </tbody> </table> <p>The MAT credit of Rs. 13.48 crore can be adjusted against the tax liability as per normal provisions of the Income Tax Act, 1961 which may arise in coming years on account of increased rental income and pending OTS.</p>	A.Y. in which MAT cr was created	2014-15 (Credit available up to Financial Year 31.03.2025)	2016-17 (Credit available up to Financial Year 31.03.2027)	2017-18 (Credit available up to Financial Year 31.03.2028)	<b>Total</b>
A.Y. in which MAT cr was created							
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2017-18 (Credit available up to Financial Year 31.03.2028)							
<b>Total</b>							
6	<p><b>Other Current Assets</b></p> <p>i)Refer Note No. 14 –“Other Current Assets for non-provisioning in respect of Duties and taxes</p>	<p>The matter pertains to AY 2014-15. The order for refund has been issued, and the</p>					

	<p>recoverable , CST (coal ) amounting to Rs. 6.89 lacs which is non recoverable and still not written off.</p> <p>ii) Refer Note No. 11- Other Financial Assets - Claims Recoverable for non-provisioning in respect of Claims Recoverable o/s since last many financial years amounting to 1613.43 lacs where no present status could be ascertained by the management of the Company and still not written off.</p> <p>This is non-compliance of IND AS -36 as no provision has been made for impaired assets. All these current assets are being reflected at their carrying amounts instead of on realization values.</p> <p>This has resulted into overstatement of Current assets by Rs. 1769.15 lacs and understatement of loss by Rs. 1769.15 lacs.</p>	<p>same is being followed up by R.O.</p> <p>Out of the claims recoverable of Rs. 1613.43 lacs, major components are Rs. 547.75 lacs pertains to CCIC (co-owner) and Rs. 728.32 lacs pertains to HHEC (co-owner) for which regular follow up is being done by concerned division on a regular basis. Provision of Rs 33.04 lacs &amp; Rs 476.47 lacs has been earlier provided for CCIC &amp; HHEC respectively.</p> <p>Rs 118.43 lacs pertains to SBI-IFB, Overseas, CAG &amp; GF, said amount was attached by honorable court in the matter of STCL, of which Rs. 24.17 lacs have been provided for against SBI GF.</p> <p>Rs. 94.56 lacs pertains to TRAI which is fully provided for.</p> <p>Rs 87.14 lacs pertains to BIFR and against this provision of Rs 31.80 lacs has already been provided.</p> <p>The same shall be followed up at AMRCD / legal platform.</p>
7	<p><b>Provisions</b></p> <p>Refer Note No. 38, for non-provision of a demand of Rs. 4,743 lacs out of total demand received from Land and Development Office - New Delhi amounting to Rs. 13,283 lacs (for the period March, 2004 to July, 2018) which has resulted in understatement of loss by Rs 4,743 lacs and understatement of liabilities. However, it has been shown as contingent liability. Also, company has not provided for interest accruing on the said demand amount (to be calculated at the rate of 10%) approx. The matter is under correspondence with L&amp;DO office and no provision is made for the year 2021-22 in the accounts.</p>	<p>With a view to obtain updated demand as on date, STC officials visited L&amp;DO on 18.05.2022 in connection with outstanding demand of Rs. 132.83 crore raised by L&amp;DO, wherein, L&amp;DO asked to send written request seeking the same. In addition, L&amp;DO stated that assessment with regard to raising such demand they have their own parameters. STC vide letter dated 20.05.2022 and 22.06.2022, has requested L&amp;DO to give the updated liability as on date towards JVB, the reply from L&amp;DO is yet to be received. In addition, department of commerce vide letter dated 13.07.2022, has also taken up the issue with L&amp;DO. The reply from L&amp;DO is yet to be received.</p>
8	<p><b>Trade Payables</b></p> <p>All the trade payables amounting to Rs. 1,11,960 lacs are without any balance confirmation and are outstanding for more than 3 financial years. No amount is payable to these parties as these are suppliers who have entered into legal agreement with STC wherein no amount is payable to them until and unless the amount is recovered from the foreign buyer. Thus, the management has not accorded any treatment to these trade payables and to that extent, liabilities are overstated.</p>	<p>This observation has been repeated since previous years. Balances of trade receivables, trade payables and liabilities are being reconciled after completion of each transaction and the accounts are settled with the party. However, confirmation in respect of trade receivables and trade payables under litigation is not available at this stage, as it may be used against STC by the other party.</p>
9	<p><b>GST</b></p> <p>The GST input receivable and payable balances are not reconciled by the Company as on March 31,2022. No satisfactory data/explanation has not been furnished to us till the date of finalization of audit.</p>	<p>Reconciliation of GST Input and Output balances carried out for the F.Y. 2021-22 to certain extent and accordingly, adjustment entries were passed. Reconciliation pertaining to prior years is under process and will be carried out in the current year i.e. FY 2022-23.</p>

	<p><b>Tax Deducted at Source</b> In respect of the TDS deducted by the tenants, Company has not accounted for the TDS reconciled with amount as appearing in Form 26AS available on the portal amounting to Rs. 20.19 lacs .</p> <p>It has been further observed that the Total TDS Default of 9.33 lacs is appearing on the Income Tax (TRACES) Portal. No provision has been made for this demand and also not disclosed as Contingent liability.</p> <p>Year wise bifurcation of the defaults is as under: -</p> <table border="1" data-bbox="363 720 868 944"> <thead> <tr> <th>Financial Year</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>2021-22</td> <td>14,680</td> </tr> <tr> <td>2020-21</td> <td>59,067</td> </tr> <tr> <td>2019-20</td> <td>1765</td> </tr> <tr> <td>2018-19</td> <td>17000</td> </tr> <tr> <td>Prior years</td> <td>8,39,824</td> </tr> <tr> <td><b>Total</b></td> <td><b>9,32,925</b></td> </tr> </tbody> </table> <p>We are, therefore, unable to comment upon the effect of the above in the Financial Statements relating to GST and TDS reconciliations not carried out.</p>	Financial Year	Amount	2021-22	14,680	2020-21	59,067	2019-20	1765	2018-19	17000	Prior years	8,39,824	<b>Total</b>	<b>9,32,925</b>	<p>As per past practice, the TDS on rent receipts is considered as and when the same is realized. However, there is no financial implication, as the total amount recoverable from tenant is appearing under claims. When the amount is realized, the corresponding TDS shall be recognized and shown separately in books. The same is expected by the time of filing ITR.</p> <p>The TDS defaults are being taken up by the tax consultant for revising respective returns.</p>
Financial Year	Amount															
2021-22	14,680															
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<b>Total</b>	<b>9,32,925</b>															
10	<p><b>Cash and Bank Balances</b></p> <p>It has been observed from the Form 26AS - downloaded from the Income tax portal that Interest income from Canara Bank amounting to 4,15,593 on which TDS amounting to Rs. 41,559 has been deducted by the Canara Bank is appearing in the AIS. However neither the Income nor the TDS Receivable is booked in the books of accounts as the management does not have any details regarding this fixed deposit. Canara Bank has however informed on 26-05-2022 that this FDR does not belong to STC Limited. The matter is under correspondence and correction at the Bank level. Therefore, we are not able to comment upon the effect of this non accounting of Interest received and TDS thereof on the financial statement in the absence of complete details regarding this fixed deposit.</p>	<p>The matter has been communicated to the bank, who have assured that the same shall be rectified from their end.</p>														
11	<p><b>Other Observations</b></p> <p>Refer Note No. 24, customer at credit includes amount payable to U.P. Government amounting to Rs 603 lacs. As informed by the management, Branch has made various other claims on U.P Government and accordingly dues of Rs. 3911 lacs is recoverable from U.P. Government for which debit note dated March 10, 2014 was raised. However, the said claim was not</p>	<p>This observation has been repeated since previous years. An amount of Rs. 603 lacs payable to U.P Government is adjustable against outstanding claims from UPGEWC on account of (i) differential of import price and amount realized on risk sale of 9555.285 MTs Lemon Tur and (ii) interest and carrying charges, amounting to Rs.</p>														

	<p>recognized in the standalone financial statements of the branch till date, as its ultimate collection was not certain. In absence of information on acceptability of the said claim by the UP Government, we are unable to ascertain its possible impact, if any, on the standalone financial statements of the Company.</p> <p>It seems that the financial statements have not been prepared on realization basis as mentioned in the accounting policies. All non-current assets held for Sale and other current assets have been stated at their carrying amounts as appearing in the books of accounts without making any exercise by the management to determine the realizable value of each current asset.</p>	<p>3,911 lacs which is under dispute and shown as contingent assets.</p> <p>Further, STC has been continuously following up the recovery matter with Government of Uttar Pradesh and has now filed its petition on 28.01.2022 for resolution of its dispute through AMRCD mechanism. Department of Commerce has informed that the AMRCD committee has been constituted and the First meeting of the AMRCD committee will be scheduled in due course.</p>														
	<b><i>The impact of the following observations is not ascertainable</i></b>															
	<p>i) Refer to Cases and Disputes and matters under Litigation and amounts covered under Contingent Assets and Contingent Liabilities, since majority of the matters are subjudice, it is not possible to quantify the liabilities and the interest obligation if any on these cases.</p> <p>ii)</p>	<p>The same shall be reviewed in the F.Y. 2022-23.</p>														
	<p>ii) Refer to Claims recoverable from HHEC, co-owner to the property at Jawahar Vyapar Bhawan, who have not paid their share of expenses to STC since last many years amounting to Rs. 728.31 lacs as on March 31, 2022. The matter is said to be under correspondence with HHEC.</p>	<p>The issue is being followed up regularly with HHEC.</p>														
	<b>Emphasis of Matters</b>															
	<p>a) Refer Note No. 38(ii), Contingent Liabilities which includes an amount of Rs. 1.33 Crores in respect of pending sales tax liability. The Company has not complied in carrying out corrective actions as suggested by Government Audit Party (GAP) for F.Y. 2014-15 in the accounts as on 31<sup>st</sup> March, 2016 and for F.Y. 2015-16 in the accounts as on 31<sup>st</sup> March, 2017 amounting to Rs. 0.19 Crores and Rs. 1.11 Crores respectively.</p>	<p>This observation has been repeated since previous years. The GAP half-margin pertaining to Mumbai R.O. on the said matter was regarding not writing back of the credit balance of many parties including the five parties totaling to the amount of Rs. 1.30 crore. But since the sales tax cases against those five parties are still going on, the credit balance of Rs. 1.30 crore has to be kept in books against any future liability and hence has not been written back.</p> <p>Further, as informed by Mumbai R.O., there is no change in the status of the cases.</p> <table border="1" data-bbox="884 1668 1410 1953"> <thead> <tr> <th data-bbox="884 1668 1315 1733">Name of Party</th> <th data-bbox="1323 1668 1410 1733">Amount (crore)</th> </tr> </thead> <tbody> <tr> <td data-bbox="884 1737 1315 1763">Space Vision Impex</td> <td data-bbox="1323 1737 1410 1763">0.19</td> </tr> <tr> <td data-bbox="884 1767 1315 1793">Pranav Agro Industries Ltd.</td> <td data-bbox="1323 1767 1410 1793">0.25</td> </tr> <tr> <td data-bbox="884 1798 1315 1823">Ganesh Benzoplast Ltd.</td> <td data-bbox="1323 1798 1410 1823">0.20</td> </tr> <tr> <td data-bbox="884 1828 1315 1892">Thakkarsons Auto Ancillary(i) Pvt. Ltd.</td> <td data-bbox="1323 1828 1410 1892">0.09</td> </tr> <tr> <td data-bbox="884 1897 1315 1923">Dunlop India Pvt. Ltd.</td> <td data-bbox="1323 1897 1410 1923">0.57</td> </tr> <tr> <td data-bbox="884 1927 1315 1953">Total</td> <td data-bbox="1323 1927 1410 1953">1.30</td> </tr> </tbody> </table>	Name of Party	Amount (crore)	Space Vision Impex	0.19	Pranav Agro Industries Ltd.	0.25	Ganesh Benzoplast Ltd.	0.20	Thakkarsons Auto Ancillary(i) Pvt. Ltd.	0.09	Dunlop India Pvt. Ltd.	0.57	Total	1.30
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	b) Refers to Note No.38, in respect of litigation matters, their present status and provisioning, if any, required and on-going investigations into the alleged irregularities; further, the Company's past operations have exposed it to the risk of extensive litigation and contractual claims from third parties with increased litigation costs not fully provided for. Due to the range of potential outcomes, voluntary retirement of employees dealing with these cases and the significant uncertainty around the resolution of various claims, the amount of ultimate liabilities, if any, to be recorded in the statements as provision is not ascertainable.	The cases under litigation /investigation etc. are being appropriately disclosed under contingent liability. Each case is being assessed at the end of the reporting period on the basis of its merit. The suitable treatment in books of accounts will be made based on the outcome of the ongoing litigation. In case of any material changes arising in the factual position, the same shall be reviewed appropriately.						
	<b>Annexure 'A' to Independent Auditor's Report</b>							
1.	a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. However, the records are not updated for the financial year under audit. Fixed Assets report is under finalization.	The company has updated the Fixed Assets Schedule with necessary calculation of depreciation as on 31.03.2022.						
2.	b) The company has a Programme of conducting physical verification of items of fixed assets in a phased manner. The physical verification report of office (all branches have been received however Physical Verification report of Corporate New Delhi) is not provided by company.	The PV report of all R.Os including that of C.O. was made available to the auditor.						
3.	c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except for cases as below :	<p><b>(i) Jawahar Vyapar Bhawan &amp; STC Housing Colony, Malviya Nagar:</b> Since there are some dues payable to L&amp;DO and DDA, efforts are being made to settle the same under the directions of MOC&amp;I. Moreover, MOC&amp;I is also taking up the matter directly with L&amp;DO. Title deeds when received shall be made available.</p> <p><b>(ii)</b> STC got a plot of land at Mallet Bunder belonging to MBPT on lease for a period of 30 years. On the land leased there were three constructed oil storage tanks along with other required infrastructure. The lease period had already expired on 17.10.2016. On expiry initially STC was seeking extension of lease of plots with MbPT and consequent upon decision to stop trading activities by STC, we have written to MbPT on 10.07.2020 for surrendering of said plots. Subsequently, the surrender certificate was executed on 12.11.2021.</p> <p><b>(iii to v)</b> With regard to AGVC and Mumbai R.O. are leasehold properties and the title deeds are not available.</p>						
	<table border="1"> <thead> <tr> <th>Location</th> <th>Description</th> <th>Held in the name of</th> </tr> </thead> <tbody> <tr> <td>(i) New Delhi</td> <td>Lease hold Land at Tolstoy Marg, Jawahar Vyapar Bhawan, New Delhi. Area: 2.599 acres</td> <td>President of India</td> </tr> </tbody> </table>		Location	Description	Held in the name of	(i) New Delhi	Lease hold Land at Tolstoy Marg, Jawahar Vyapar Bhawan, New Delhi. Area: 2.599 acres	President of India
Location	Description		Held in the name of					
(i) New Delhi	Lease hold Land at Tolstoy Marg, Jawahar Vyapar Bhawan, New Delhi. Area: 2.599 acres	President of India						



				area under physical position is yet to be done.		
	(ii) New Delhi	STC / MMTC Housing Colony, Aurobindo Marg, New Delhi Area: 16.17 acres	President of India	Execution of lease deed (for 50% share of total land measuring 32.33 acre) allotted for housing colony is still pending. Further, records / details for area given by STC from its own share to HHEC for its housing colony is to be adjusted in the FAR / FAS. Measurement for area under physical position of the company is yet to be done.	125.57	123.94
	(iii) New Delhi	Flats at AGVC, Khel Gaon Marg, New Delhi. Area: 8 flats measuring 14424 sq fts	President of India	Execution of lease / conveyance deed is still pending.	27.45	27.20
	(iv) Mumbai	7 nos. of Flats (refer foot note of note no.4 Area: 7997 sq fts	President of India	Execution of lease / conveyance deed is still pending.	29.35	19.18
	(v) Mumbai	Mallet Bunder  Area: 11586.96 sq meters approx	President of India	Lease deed expired since 2016 and the company has surrendered the plot , certificate being executed on 12.11.2021	36.72	11.67
	All the aforesaid properties have been held in the name of the promoter i.e. President of India. No valid reason could be obtained by the management as to why title deed has not been executed in the name of STC.					
4.	d) According to the Information and explanations given to us and on the basis of the examination of the record of the Company, the Company has not revalued its Property, Plant and Equipment (now classified as "Assets held for disposal" or intangible assets or both) during the year.			In the year 2019-20, the valuation effect was taken into account on a conservative basis. Further, consequent to the adoption of accounting policy on non-going concern basis in FY 2021-22, management tried to get the valuation done, but was not successful.		
5.	In our opinion and according to the information and explanations given to us, the company has defaulted in repayments of loans/borrowings to Bank (refer note no.20 & Basis of qualified opinion section of our audit report). However, the company has outstanding loans/ borrowing from financial institutions but not from			The OTS is going on, and the same has been replied in detail on the qualification on 'Borrowings' in the "Basis of qualified opinion" section of the audit report.		

	Government or dues to debenture holders. Lender-wise details of sum defaulted by company & period of default is as follows-																			
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6.	<p>i. According to the information and explanations given to us and as represented by the management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, frauds by the ex-employees of the Company have been noticed which are in litigation since last few years.</p> <p>We are informed that there are 11 cases filed since last few years at various forums by CBI and other bodies involving fraud perpetrated by Staff of STC on others. No amount has been quantified by the Management as these cases are said to be subjudice.</p>	The investigation/ legal cases are at various stages and provision shall be made depending upon their outcome.																		
7.	<p>According to our view, Since the company has ceased its business operations and prepared the financial statements on a non-going concern basis, material uncertainty exists as on the date of audit report. There are a number of legal cases regarding trade receivables and the borrowings from bank amounting to Rs. 80,623 lacs which are NPAs since long indicating that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date.</p>	<p>The cases under litigation /investigation etc. are being appropriately disclosed under contingent liability. Each case is being assessed at the end of the reporting period on the basis of its merit. The suitable treatment in books of accounts will be made based on the outcome of the ongoing litigation.</p> <p>In case of any material changes arising in the factual position, the same shall be reviewed appropriately.</p>																		
	<b>Annexure 'B' to Independent Auditor's Report</b>																			
a.	<p>Company is maintaining "Performance Management System", Payroll Software and "Leave Management System" which are not interfaced with each other as well as the accounting software. As a result of above, Manual Accounting entries are being made on periodical basis in the Tally ERP, Accounting software used by company.</p>	<p>This observation has been repeated since previous years. The interlinking of different software currently maintained by the holding company can only be possible in case of ERP implementation. Due precarious financial condition and also due to non-going concern status of the holding company, such implementation is a distant possibility. However, manual intervention with regard to accounting entries in Tally software is restricted by the internal checks available in the software itself.</p>																		
b.	<p>Lack of effective Internal control over inventory pledged with the company as in most of the cases periodic physical verification reports have not been submitted by the parties and in certain</p>	<p>This observation has been repeated since previous years. Periodic physical verification reports in respect of pledged inventory is being obtained from the</p>																		

	cases parties are not allowing STC to conduct the physical verification.	parties. However, in certain cases where the matter is under litigation/subjudice in the court, physical verification of the inventory could not be carried out or not allowed by the party as an exception.
c.	Manner of maintenance of Fixed Assets Schedule & register need to be strengthened.	The company is in the process of strengthening the same.
d.	Lack of proper contract management is noticed. Irrespective of completion of contracts the EMD/Security deposits are still being withheld in the books by the company.	There is proper Contract Management and after completion of each contract the EMD/ security deposits are settled as per the contractual terms. As regards the security deposits and EMD's in hand the contracts which could not be undertaken, the Company is in process of refund the same consequent upon decision taken for STC being a non- operative company from the F.Y.2021-22.
e.	Lack of control over the renewal of Rent/lease Agreements on timely basis. There are numerous of contracts which have not been renewed over a long period.	All of the rent/lease agreements except IRCTC and Kakinada warehouse complex have been renewed with the tenants. The renewal of agreement with IRCTC is being pursued on regular basis. The renewal of agreement with in respect of Kakinada warehouse is under process.
f.	Ineffective implementation of accounting policy in balance confirmation of trade receivable & vendor balance, is noticed. The balances outstanding in the trade receivable account cannot be reconciled in customers' books as balance confirmations are not available for these customers.	This observation has been repeated since previous years. Balances of trade receivables, trade payables and liabilities are being reconciled after completion of each transaction and the accounts are settled with the party.  Further, confirmation in respect of trade receivables and trade payables under litigation is not available at this stage, as it may be used against STC by the other party.
g.	As there are no proper Full Time working Directors in the Company, and there is also lack of senior management personnel in the Company, all decisions and matters requiring immediate attention are kept on hold and there is ineffective management control in the Company.	Two full time working Directors were available for majority part of the FY 2021-22 in both the Company i.e. STC and its Subsidiary STCL Limited. It is to mention that Director (P), STC who was holding additional charge of CMD, STC and Chairman, STCL Limited superannuated on 31.01.2022 and Director (Marketing), STC who was holding additional charge of MD, STCL Limited superannuated on 30.04.2022. Presently, there is one Functional Director in STC i.e. Director (Fin.) (additional charge). Further, two (2) Government Nominee Directors and eight (8) Independent Directors are also on the Board of STC. As such, present strength of the Board of STC is more than the minimum number of directors (i.e. 4) for holding of any Board meeting. However, the Board of STCL Limited is incomplete since the superannuation of Director (P)

		<p>and Director (Mktg.), STC.</p> <p>Since the appointments of CMD/MD and other Functional Directors are made with the approval of Appointments Committee of the Cabinet (ACC), therefore the matter of filling-up of vacant Board level posts in STC and STCL Limited has regularly been taken up with the Administrative Ministry, through various communications sent by STC to the Ministry from time to time. The matter has also been raised in the meetings held with the officials of Ministry in the recent past.</p> <p>In view of present circumstances, efforts are being made to handle urgent as well as day-to-day matters, wherever possible, with the available resources in the Company i.e. middle level management/lower level management. Some urgent matters which require approval of CMD/MD/Directors and immediate action is required to be taken, such matter are put up to Director (Fin.) (additional charge) / Board for approval and necessary direction, if any.</p>
	<b><u>Annexure- 'C' to the INDEPENDENT AUDITORS' REPORT</u></b>	
1.	<p>Company is maintaining "Performance Management System", Payroll Software and "Leave Management System" which are not interfaced with each other as well as the accounting software. As a result of above, Manual Accounting entries are being made on periodical basis in the Tally ERP Accounting software.</p>	<p>This observation has been repeated since previous years. The interlinking of different software currently maintained by the holding company can only be possible in case of ERP implementation. Due precarious financial condition and also due to non-going concern status of the holding company, such implementation is a distant possibility. However, manual intervention with regard to accounting entries in Tally software is restricted by the internal checks available in the software itself.</p>
2.	<p>The company is in the process of "One time settlement" (OTS) with the Lender Banks for the dues of banks for which Company is in continuing default.</p> <p>The lender banks have initiated DRT proceedings against the company. The memorandum of the OTS (MOTS) proposal with lender banks is still in progress and is in line with the minutes of the high-level meeting held in 29.08.2019 and the further clarificatory letter dated 13.10.2020 of Ministry. The liability towards banks is proposed to be settled by the way of transfer of title of identified property worth Rs.300 crore on "as is where is basis" as a full and final settlement.</p> <p>However, as per the recent correspondence between Canara Bank and STC dated 22.04.2022,</p>	<p>The OTS is going on, and the same has been replied in detail on the qualification on 'Borrowings' in the "Basis of qualified opinion" section of the audit report.</p>

	<p>the lender bank has given two options to the latter:-</p> <ol style="list-style-type: none"><li>1. Execution of equitable mortgage in favour of the lead bank at Delhi so that lenders can legally proceed for sale of properties mentioned in the Settlement Agreement with the authority to sell and realise the sale amount.</li><li>2. As joint suit is pending before the DRT-II, Delhi, the lenders shall proceed before DRT in execution of the consent decree for the accepted OTS amount of Rs. 300 cr.</li></ol> <p>The decision making is pending with STC to convey their acceptance of suitable option for moving the MOTS ahead.</p> <p>Pending settlement of OTS, the company has not provided any further interest in its financial statements for the current year 2021-22.</p>	
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कार्यालय प्रधान निदेशक लेखापरीक्षा,  
उद्योग एवं कॉर्पोरेट कार्य  
ए.जी.सी.आर. भवन, आई.पी. एस्टेट,  
नई दिल्ली-110 002



OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT,  
INDUSTRY AND CORPORATE AFFAIRS  
A.G.C.R. BUILDING, I.P. ESTATE,  
NEW DELHI-110 002

संख्या: एएमजी-1/8(7)/वार्षिक लेखा परीक्षा/एसटीसी/  
एसएफ.एस(2021-22)/2022-23/288-85  
दिनांक:

11 AUG 2022

सेवा में

मुख्य वित्त अधिकारी,  
दि स्टेट ट्रेडिंग कॉर्पोरेशन ऑफ इंडिया लिमिटेड,  
जवाहर व्यापार भवन, तोल्स्टोय मार्ग,  
नई दिल्ली-110 001

विषय: कंपनी अधिनियम 2013 की धारा 143(6) (b) के अंतर्गत 31 मार्च 2022 को समाप्त वर्ष के लिए दि स्टेट ट्रेडिंग कॉर्पोरेशन ऑफ इंडिया लिमिटेड के वार्षिक लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

कंपनी अधिनियम 2013 की धारा 143(6) (b) के अंतर्गत 31 मार्च 2022 को समाप्त वर्ष के लिए दि स्टेट ट्रेडिंग कॉर्पोरेशन ऑफ इंडिया लिमिटेड के वार्षिक लेखों पर उपरोक्त विषय संबंधित संलग्न पत्र अंग्रेजित है। Further, the errors/deficiencies (half margin no. 6) pointed out during the course of audit have not been processed further on the basis of Management's assurance to correct the same at the time of printing of Annual Report. Therefore, it needs to be ensured by the Management that correct figures are printed in the Financial Statements. A copy of the corrected Financial Statements along with annual report may also be endorsed to this office.

भवदीया,

एस. आ. पंडा

(एस. आह्लादिनी पंडा)  
प्रधान निदेशक लेखा परीक्षा  
(उद्योग एवं कॉर्पोरेट कार्य)  
नई दिल्ली

संलग्नक:- यथोपरि

दूरभाष / Phone : +91-11-23702357, फैक्स / Fax : +91-11-23702359, E-mail : pdaica@cag.gov.in

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL  
STATEMENTS OF THE STATE TRADING CORPORATION OF INDIA LIMITED  
FOR THE YEAR ENDED 31 MARCH 2022**

The preparation of financial statements of The State Trading Corporation of India Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of The State Trading Corporation of India Limited for the year ended 31 March 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to the statutory auditors' report under section 143(6)(b) of the Act.

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



**(S. Ahladini Panda)  
Principal Director of Audit  
(Industry & Corporate Affairs)  
New Delhi**

**Place: New Delhi  
Date: 11.08.2022**

**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 (Account) Rules, 2014**  
**Part "A" Subsidiaries**  
**Statement containing salient features of the financial Statement of Subsidiaries/Associate**  
**Companies/Joint Ventures**

As at March 31, 2022

(Rs. Lacs)

S.No.	Particulars	Details
1	Name of Subsidiary	STCL Limited
2	Reporting period for the subsidiary company concerned, if different from the holding company's reporting period	Same as holding company
3	Reporting currency and exchange rates as on the last date of the Relevant Financial year in case of foreign subsidiaries.	Indian Rupees
4	Share Capital	1500
5	Reserve & surplus	-455860.63
6	Total Assets	987.98
7	Total Liabilities	456698.6
8	Investments	-
9	Turnover	-
10	Profit before taxation	715.90
11	Provision for taxation	4.11
12	Profit after taxation	711.79
13	Proposed Dividend	-
14	% of Shareholding	100

**Notes:-**

- 1 Name of the subsidiaries which are yet to commence operations Nil  
2 Name of the 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, 2022

Sl. No.	Name of Joint Venture	NSS Satpura Agro 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.	2,00,000
3	Amount of Investment in Associates/Joint Venture (Rs.)	20,00,000
4	Extend of Holding%	50
5	Description of how there is significant influence	Not Available
6	Net worth of the Company	Not Available
7	Reason why the associate/joint venture is not consolidated	Audited accounts not available
8	Net worth attributable to shareholding as per latest audited Balance Sheet	Not Available
9	Profit/Loss for the year	
	(i) Considered in Consolidation	Not Available
	(ii) Not Considered in Consolidation	Not Available

Note: Investments with M/s Richfield Aquatech Ltd, Blue Gold Maritch Ltd. National Tannery Company Ltd. & Indopirin Gloves Limited have been written off in earlier years. All these companies are dormant/under liquidation.

**As per our report of even date attached**  
**For Bhatia & Bhatia**  
Chartered Accountants  
Firm Reg. No. 003202N

**Sd/-**  
**(CA R. BHATIA)**  
Partner  
M. No. 017572

**Sd/-**  
**(VIPIN TRIPATHI)**  
Company Secretary  
ACS -29378

**Sd/-**  
**(B S Rao)**  
CFO

**Place: New Delhi**  
**Dated: 27.05.2022**





# **CONSOLIDATED FINANCIAL RESULTS 2021-22**

# MODIFIED INDEPENDENT AUDITOR'S REPORT

(Based on C&AG observations , we have modified the report)  
To Members of The State Trading Corporation of India Limited,

## Report on the Audit of the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of The State Trading Corporation of India Limited ("the Parent") and its subsidiary "STCL Limited", the parent and its subsidiary are together referred to as "the Group", which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of changes in Equity and the Consolidated Cash Flow Statement for the year then ended, notes to the Consolidated financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "The Consolidated Financial Statements").

It is the first year in which the financial statements of the Group have been prepared on non-going concern basis as per decision of the Board of Directors in their meeting held on 05th April, 2021, on the basis of the various events directed by the Administrative Ministry. Therefore, the current year figures are not comparable with that of previous year because accounts for FY 2020-21 were prepared on going concern basis and the same has not been reclassified.

### **Qualified Opinion**

In our opinion and because of the various issues as mentioned in the Basis for Qualified Opinion paragraphs, the aforesaid Consolidated Financial Statements except for the qualified opinion give the information required by the Companies Act 2013 ("the Act") in the manner so required and present a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies ( Indian Accounting Standards ) Rule 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March 2022 and its loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

### **Basis for Qualified Opinion**

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

- i. We draw your attention to Note No. 2(ii) regarding management decision to continue the Group as non-operating Group for the time being and to prepare the accounts from the financial year 2021-22 onwards

as per non-going concern basis. Thus, there has been change in the significant accounting policies of the Group and the presentation of financial statements.

As per Note No. 3.1 (e) in the Notes to accounts it is further stated that the financial statements for the year 2021-22 have been prepared on realization basis (non- going concern assumption) and the non-current assets have been classified as held for sale. Therefore, all the assets held for sale have been carried at their estimated realizable values. However, all the non-current assets held for sale i.e. Property, Plant and Equipment in absence of any report for realizable value have been stated at their respective historical values/carrying values as per books of accounts as on 31.03.2022 and not on realization basis. This is non-compliance of the accounting policy No. 3(e) of the Group and we are unable to comment upon the impact of the same on the financial statements.

Further there is also non-compliance of requirements of INDAS-105.

As per IND AS-105, "Non -Current Assets held for Sale and Discontinued Operations", it requires that asset that meet the criteria to be held for sale should be measured at lower of carrying amount and fair value less costs to sell and to be separately presented in the Balance Sheet and also result of discontinued operations to be presented separately in the Statement of Profit and Loss.

However, no fair value estimation of the non-current assets held for sale have been carried out as on 31st March, 2022 but is said to be under process. Thus, there is also non-compliance of INDAS 105 applicable to the Group.

- ii. Refer to Note No.4(a) of Consolidated Financial Statements, non availability of title deeds

in the name of the Group in respect of following properties namely:

**a) Leasehold Building**

- i. Lease hold land at Jawahar Vyapar Bhawan valued at Rs. 55,929 lacs
- ii. Leasehold land at Housing Colony at Aurobindo Marg valued at Rs. 12,394 lacs
- iii. Plot at Mallet Bunder, Mumbai Port Trust valued at Rs. 1167 lacs

**b) Freehold Building**

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

Further, lease period for plot at Mallet Bunder, Mumbai Port Trust has already expired and the land has been handed over to Mumbai Port Trust. Surrender certificate has been executed on 12.11.2021. But this still continues to be shown as non-current assets held for sale. Thus, non-current assets held for sale has been overstated by Rs. 1167 lacs. It will also have consequential impact on the Statement of Profit and Loss account resulting into **understatement of loss by Rs. 1167 lacs.**

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

Further, STC has not amortised the value of the leasehold properties according to the IND AS 116 for the period expired till 31.03.2022 resulting into overstatement of non-current assets held for sale and consequential impact on loss of the STC, the amount whereof could not be quantified in absence of complete data from the Group.

- iii. Refer Note No. 4, for non-adjustment of value/area in Fixed Assets Register against areas acquired by Delhi Metro Rail Corporation (DMRC) for construction of Metro Station & by L&DO for widening of the Road during Asian Games, as well as the flats/area of land sold by the Group to The Handicrafts and Handloom Exports Corporation of India Limited (HHEC) for its Housing colony. Management is in correspondence with DMRC and concerned departments.

This has resulted into overstatement of non-current assets held for sale and consequential impact on loss of the STC, the amount whereof could not be quantified in absence of complete data from the STC.

## **2. Trade Receivables**

Trade receivables includes a sum of Rs. 1,69,419.41 lacs (relates to State Trading Corporation of India Limited only) which have been outstanding for more than 3 years. The Group has made provision for bad and doubtful debts amounting to Rs. 62,727.62 lacs and another sum of Rs. 67,833.68 lacs have been shown as "Having Significant increase in credit risk" since the same is under litigation. As per Note No.9, it is explained that no provision has been made for the same since the relevant creditors will be paid only after recovery of these trade receivables, though in most of the cases agreements are not tripartite.

Further there has been no recovery during the Financial Year 2021-22 and there is no major update of legal cases which are pending at various forums. Thus trade receivable do not seems to be stated at realisable value less cost to be incurred to recover these trade receivables. There is also no balance confirmation available for these trade receivables as on 31.03. 2022 and hence we are unable to comment upon the genuineness and effect of the same on the financial statements, if any.

We are of the view that trade receivables amounting to 1,69,419.41 lacs (relates to State Trading Corporation of India Limited) are considered doubtful of recovery resulting into short provision for doubtful debts amounting to Rs. 1,06,691.79 lacs. Thus the provision for bad and doubtful debts has been understated by Rs. 1,06,691.79 lacs and consequential impact on the statement of profit and loss account resulting into understatement of loss by Rs. 1,06,691.79 lacs.

Further in case of M/s Rajat Pharmaceuticals Ltd (RPL), under note no.39, who drew bills of exchange on STC which were accepted upon receipt of overseas buyer's pre-acceptance to STC's bills of exchange. However, the foreign buyers defaulted in making payments against the export bills and have gone into liquidation. A sum of Rs.527.86 crores has been admitted by the liquidator of one of the foreign buyer's i.e.Loben Trading Co. Pte. Ltd, Singapore. A Decree of Rs 62.47 crores approx. has been passed by Hon'ble Bombay High Court in favour of STC against the dues from another foreign buyer i.e Sweetland Trading Pte Ltd., Singapore. As of current date, RPL has gone into liquidation and official liquidator is appointed by Hon'ble High Court of Bombay. The matter is also under investigation by CBI. Banks & Financial institutions have filed legal suit against RPL before DRT making STC also a party to the case claiming Rs. 476.47 Crore. Also refer to Note No. 39, for matters other than RPL, as all these matters are sub-judice and/or under investigation of CBI and we are unable to comment upon the genuineness and effect of the same on the Financial Statements.

### **3. Borrowings**

- I. Refer to Note No. 20 , the view of the default by the STC in paying due to interest amount to the banks, STC was declared NPA. The lender banks have initiated DRT proceedings against the STC. The memorandum of the OTS (MOTS) proposal with lender banks is still in progress and is in line with the minutes of the high-level meeting heldin 29.08.2019 and the further clarificatory letter dated 13.10.2020 of the Administrative Ministry. The liability towards banks is proposed to be settled by the way of transfer of title of identified property worth Rs.300 crore on "as is where is basis" as a full and final settlement.

However, as per the recent correspondence between Canara Bank (lead bank)and STC dated 22.04.2022, the lender bank has given two options to the latter: -

1. Execution of equitable mortgage in favour of the lead bank at Delhi so that lenders can legally proceed for sale of properties mentioned in the Settlement Agreement with the authority to sell and realise the sale amount.
2. As joint suit is pending before the DRT-II, Delhi, the lenders shall proceed before DRT in execution of the consent decree for the accepted OTS amount of Rs. 300 cr.

The decision making is pending with STC to convey their acceptance of suitable option for moving the MOTS ahead subject to seeking opinion from senior Government advocate. Pending settlement of OTS, the Group has not provided any interest further in its financial statements during 2021-22.

- ii. Considering the fact that correspondence has been made by Canara Bank and STC in respect of the MOTS of Borrowings, the Borrowings have been crystallized at Rs. 30,000 lacs on as is where is basis. However, contrary to this, borrowings have been reflected at Rs. 80,623.24 lacs as against 30000 lacs, thereby overstating the borrowings to the extent of Rs. 50,623.24 lacs. The management is of the opinion that the matter is still in discussion stage.

This is also non-compliance of IND AS -109 as well as IND AS -10 (regarding events occurring after Balance Sheet date) by not taking into consideration the accounting effects of the events occurring after the balance sheet date regarding crystallization of bank loan amount at Rs. 30,000 lacs.

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

Currently , as per books of accounts, USD 3,149.35 lacs and Euros 20.90lacs is receivable from its foreign buyers and USD 1665.41 lacs and Pound 0.04 lacs is payable to its foreign suppliers. In nutshell, there are foreign buyers and creditors standing in the financials of STC which have not been revalued in the FY 21-22, the potential impact of which is huge.

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

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

### **5. Deferred tax Assets (Net)**

Refer Note No. 12, the STC has MAT credit of Rs. 1347.81 lacs . However, there is no virtual certainty of profits in the future considering the high value of contingent liabilities, significant decrease in the sales value, negative net worth of STC and decision of the

board of directors regarding Non operative status of the STC dated 05.04.2021. This observation was also raised by the CAG auditors for the FY 2020-21. But still the MAT credit has not been reversed and this has resulted into understatement of loss by 1347.81 lacs and overstatement of Current assets by Rs. 1347.81 lacs.

## 6. Other Current Assets

- i. Refer Note No. 14 –“Other Current Assets for non-provisioning in respect of Duties and taxes recoverable , CST (coal ) amounting to Rs. 6.89 lacs which is non recoverable and still not written off.
- ii. Refer Note No. 11- Other Financial Assets -Claims Recoverable for non-provisioning in respect of Claims Recoverable o/s since last many financial years amounting to 1613.43 lacs where no present status could be ascertained by the management of the STC and still not written off.

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

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

This has resulted into overstatement of Current assets by Rs.1620.32 lacs and understatement of loss by Rs. 1620.32 lacs.

## 7. Provisions

Refer Note No. 38, for non-provision of a demand of Rs. 4,743 lacs out of total demand received from Land and Development Office - New Delhi amounting to Rs. 13,283lacs (for the period March,2004 to July, 2018) which has resulted in understatement of loss by Rs 4,743lacs and understatement of liabilities. However, it has been shown as contingent liability. Also, STC has not provided for interest accruing on the said demand amount (to be calculated at the rate of 10%) approx. The matter is under correspondence with L&DO office and no provision is made for the year 2021-22 in the accounts.

## 8. Trade Payables

Trade payables includes a sum of Rs. 1,11,960.60 lakh (relates to STC only) and are without any balance confirmation and are outstanding for more than 3 financial years.

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

## 9. Statutory Dues

### GST

The GST input receivable and payable balances are not reconciled by STC as on March 31,2022. No satisfactory data/explanation has not been furnished to us till the date of finalization of audit.

### Tax Deducted at Source

In respect of the TDS deducted by the tenants,STC has not accounted for the TDS reconciled with amount as appearing in Form 26AS available on the portal amounting to Rs. 20.19 lacs .

It has been further observed that the Total TDS Default of 9.33 lacs is appearing on the Income Tax (TRACES) Portal. No provision has been made for this demand and also not disclosed as Contingent liability.

Year wise bifurcation of the defaults is as under: -

<b>Financial Year</b>	<b>Amount</b>
2021-22	14,680
2020-21	59,067
2019-20	1765
2018-19	17000
Prior years	8,39,824
<b>Total</b>	<b>9,32,925</b>

We are, therefore, unable to comment upon the effect of the above in the Financial Statements relating to GST and TDS reconciliations not carried out.

#### **10. Cash and Bank Balances**

It has been observed from the Form 26AS -downloaded from the Income tax portal that Interest income from Canara Bank amounting to 4,15,593 on which TDS amounting to Rs. 41,559 has been deducted by the Canara Bank is appearing in the AIS. However neither the Income nor the TDS Receivable is booked in the books of accounts as the management does not have any details regarding this fixed deposit.

Canara Bank has however informed on 26-05-2022 that this FDR does not belong to STC Limited. The matter is under correspondence and correction at the Bank level.

Therefore, we are not able to comment upon the effect of this non accounting of Interest received and TDS there of on the financial statement in the absence of complete details regarding this fixed deposit.

#### **11. Unaudited Accounts of the Subsidiary**

We did not audit the financial statements of subsidiary namely STCL Limited included in the financials of the Company where financial statements reflect total assets of 987.97 lacs as at March 31, 2022, total revenue of 813.56 lacs and net cash inflows amounting to 673.25 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by another auditor whose Signed Auditor's Reports have not been furnished to us by the Management. There are no full time Directors in the said Subsidiary and for this reason Audited Financial Statements cannot be adopted and signed.

Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiary and our report in terms of subsection (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is qualified .

#### **Other Observations**

Refer Note No. 24, customer at credit includes amount payable to U.P. Government amounting to Rs 603 lacs. As informed by the management, Branch has made various other claims on U.P Government and accordingly dues of Rs. 3911 lacs is recoverable from U.P. Government for which debit note dated March 10, 2014 was raised. However, the said claim was not recognized in the Consolidated financial statements of the branch till date, as its ultimate collection was not certain. In absence of information on acceptability of the said claim by the UP Government, we are unable to ascertain its possible impact, if any, on the Consolidated financial statements of the Group.

It seems that the financial statements have not been prepared on realization basis as mentioned in the accounting policies. All non-current assets held for Sale and other current assets have been stated at their carrying amounts as appearing in the books of accounts without making any exercise by the management to determine the realizable value of each current asset.

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

- i. Refer to Cases and Disputes and matters under Litigation and amounts covered under Contingent Assets and Contingent Liabilities, since majority of the matters are subjudice, it is not possible to quantify the liabilities and the interest obligation if any on these cases.
- ii. Refer to Claims recoverable from HHEC, co-owner to the property at Jawahar Vyapar Bhawan, who have not paid their share of expenses to STC since last many years amounting to Rs. 728.31 lacs as on March 31, 2022. The matter is said to be under correspondence with HHEC.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for opinion.

**Emphasis of Matters:**

- a. Refer Note No. 38(ii), Contingent Liabilities which includes an amount of Rs. 1.33Crores in respect of pending sales tax liability. The Group has not complied in carrying out corrective actions as suggested by Government Audit Party (GAP) for F.Y. 2014-15 in the accounts as on 31st March, 2016 and for F.Y. 2015-16 in the accounts as on 31st March, 2017 amounting to Rs. 0.19 Crores and Rs. 1.11 Crores respectively.
- b. Refers to Note No.38,in respect of litigation matters, their present status and provisioning, if any, required and on-going investigations into the alleged irregularities; further, the STC's past operations have exposed it to the risk of extensive litigation and contractual claims from third parties with increased litigation costs not fully provided for. Due to the range of potential outcomes, voluntary retirement of employees dealing with these cases and the significant uncertainty around the resolution of various claims, the amount of ultimate liabilities, if any, to be recorded in the statements as provision is not ascertainable.

Our opinion is qualified in respect of these above matters.

**Key Audit Matters:**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the basis for qualified opinion section, we have determined the matters described below to be the Key audit Matters to be communicated in our report.

S.No.	Particulars	Description	Procedures applied for audit
1	Evaluation of uncertain tax positions and contingent liabilities	The STC has uncertain material tax positions and contingent liabilities including matters under dispute which involves significant judgment to determine the possible outcomes of these disputes.	In response to this key matter, our audit included, amongst other principal audit procedures: <ul style="list-style-type: none"><li>- We evaluated management's judgment of tax risks, estimates of tax exposures and contingencies by testing the design implementation and operating effectiveness of the related controls.</li><li>- We obtained details of completed tax assessments and demands for the year ended March 31, 2022 from management.</li><li>- We involved in the detailed discussions with the management for underlying assumptions in estimating the tax provisions and the possible outcome of the disputes.</li><li>- Our team also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions as at March 31, 2022 to evaluate whether any change was required to management's position on these uncertainties.</li></ul>

2	IT systems and controls over Financial Reporting	We identified IT systems and controls over financial reporting as a key audit matter for the Group because its financial accounting and reporting systems are fundamentally reliant on IT systems and IT controls to record it in books. Automated accounting procedures and IT environment controls, which include IT governance, IT general controls over program development and changes, access to program and data and IT operations, IT application controls and interfaces between IT applications are required to be designed and to operate effectively to ensure accurate financial reporting.	In response to this key matter, our audit included, amongst other principal audit procedures: <ul style="list-style-type: none"> <li>· Assessed the complexity of the IT environment by through discussion with the head of IT and internal audit and identified IT applications that are relevant to our audit.</li> <li>· Assessed the design and evaluation of the operating effectiveness of IT general controls over program development and changes, access to program and data and IT operations by engaging IT specialists.</li> <li>· Performed inquiry procedures at the Group in respect of the overall security architecture and any key threats addressed by the Group in the current year.</li> <li>· Assessed the design and evaluation of the operating effectiveness of IT application controls in the key processes impacting financial reporting of the Group by engaging IT specialists.</li> <li>· Assessed the operating effectiveness of controls relating to data transmission through the different IT systems to the financial reporting systems.</li> </ul>
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#### **Information Other than the Financial Statements and Auditor's Report thereon**

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

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

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

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

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

The Group's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the



Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Board of Directors are also responsible for overseeing the Group's financial reporting process. However it is to point out that there are no Full Time Working Directors in the Group as on 31st March, 2022 and the Group is functioning only with the assistance of Independent Directors and Director (Finance) on Additional Charge.

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance and importance in the audit of the financial statements of the current period

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

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

1. As required by Section 143(3) of the Act, we report that:
  - i. We have sought and obtained all the information and explanations, except for the matters referred in "Basis for Qualified Opinion"- Impact of which is partly non-ascertainable, which to the best of our knowledge and belief were necessary for the purposes of our audit and if not, the details thereof and the effect of such information on the financial statements.
  - ii. In our opinion, proper books of account as required by law have been kept by the Group, except for the matters referred in "Basis for Qualified Opinion", so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the Agra branch which have been prepared in Delhi only.
  - iii. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account. We have not visited any branch offices of STC as we were informed that all Branches are closed and no activities are carried out from these Branches. The audit was conducted remotely by us from Corporate Office of STC at New Delhi.
  - iv. In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards, except for the para (b) of Basis for Qualified opinion, specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
  - v. The going concern matter described under "Material uncertainty in relation to Going Concern" paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
  - vi. Pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Act are not applicable to the Group, being a Government Group;
  - vii. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting.
  - viii. Pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Companies Act, 2013, are not applicable to the Group, being a Government Group; and
  - ix. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - a. The Group has not been able to disclose the impact of pending litigations on its financial position in its financial statements, refer note 38 & 39 to the financial statements.
    - b. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - c. During the year, the Group has made no transfer to Investor Education and Protection Fund due to heavy accumulated losses. Therefore, question of delay in transferring amounts, required to be transferred, by the Group does not arise.
    - d. As the Audited Financials of the Subsidiary Company namely STCL Limited have not been provided to us and there are no full time working directors in both the Companies, we cannot Comment upon the adequacy and correctness of the following:-
      - i) The respective Managements of the Parent Company and its subsidiary (unaudited as stated above) which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary, that, to the best of their knowledge and belief, other than as disclosed in notes to accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company or any such subsidiary to or in any other person or entity, including foreign entity

('Intermediaries') with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company or any of such subsidiary ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- ii) The respective Managements of the Parent Company and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary, that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Parent Company or any of such subsidiary from any person or entity, including foreign entity ('Funding Parties') with the understanding, whether recorded in writing or otherwise, that the Parent Company or any of such subsidiary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our attention or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e) as provided under (a) and (b) above, contain any material misstatement.
- e. There has been no dividend declared during the year.
- f. The Company has not used such accounting software for maintaining its books of accounts which can record audit trail facility and thus the question of tampering with the feature of audit trail cannot be commented upon.

**For BHATIA AND BHATIA**  
CHARTERED ACCOUNTANTS  
FRN No. 003202N of ICAI

sd/-  
**(R. BHATIA) F.C.A.**  
Partner  
Membership No.017572  
UDIN:22017572AJTQFW2048

**Place: New Delhi**  
**Date: 26.07.2022**

## ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

Referred to Clause (vii) of Paragraph 2 under the heading of "Report on other Legal and Regulatory Requirements" of Independent Auditor's Report of even date to the members of the State Trading Corporation of India Limited on the Consolidated Financial Statements for the year ended 31st March 2022

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

We have audited the internal financial controls over financial reporting of **The State Trading Corporation of India Limited** ("the Group") as of March 31, 2022 in conjunction with our audit of the Consolidated financial statements of the Group for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Group's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### Meaning of Internal Financial Controls over Financial Reporting

A Group's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Group's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Group are being made only in accordance with authorizations of management and directors of the Group; and
- (3) provide reasonable assurance regarding prevention or timely detection of un-authorized acquisition, use, or disposition of the Group's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting (IFCFR)

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls

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

#### **Basis for Qualified Opinion**

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

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

#### **Qualified Opinion**

In our opinion, the Group has, except for effects of the material weaknesses described above on achievement objectives of the control criteria, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have, to the extent possible, considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2022 Consolidated financial statements of the Group, and these material weaknesses are not likely to affect our opinion on the Consolidated financial statements of a Group.

**For BHATIA AND BHATIA**  
CHARTERED ACCOUNTANTS  
FRN No. 003202N of ICAI

sd/-  
**(R. BHATIA) F.C.A.**  
Partner  
Membership No.017572  
UDIN:22017572AJTQFW2048

**Place: New Delhi**  
**Date: 26.07.2022**

**THE STATE TRADING CORPORATION OF INDIA LTD**  
**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022**

(Rs. Lacs)

Particulars	Note No	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	4	-	57,356.18
(b) Capital work-in-progress	5	-	183.17
(c) Investment property	6	-	29,775.54
(d) Other intangible assets	7	-	0.80
(e) Financial Assets :			
(i) Investments	8	-	1.04
(ii) Trade receivables	9	-	92,869.50
(iii) Loans	10	-	1,387.05
(iv) Other Financial Assets	11	-	1,757.90
(f) Deferred tax assets (net)	12	-	8,648.64
(g) Other non-current assets	14	-	455.61
<b>Sub total</b>		<b>-</b>	<b>192,435.43</b>
<b>Current Assets</b>			
(a) Inventories	15	7.06	4.16
(b) Financial Assets :			
(i) Investments	8	1.04	-
(ii) Trade receivables	9	106,691.79	13,824.61
(iii) Cash & cash equivalents	16	3,707.01	8,834.03
(iv) Bank Balances other than (ii) above	17	17.96	18.06
(v) Loans	10	3,643.80	3,590.63
(vi) Other Financial Assets	11	24,625.23	13,417.87
(c) Tax Assets (Net)	13	2,339.40	3,202.18
(d) Other Current Assets	14	1,209.12	771.99
(e) Deferred tax assets (net)	12	1,347.81	-
(f) Non Current Assets held for Sale / Disposal		87,128.84	-
<b>Sub total</b>		<b>230,719.06</b>	<b>43,663.53</b>
<b>Total Assets</b>		<b>230,719.06</b>	<b>236,098.96</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	18	6,000.00	6,000.00
(b) Other Equity	19	(481,467.85)	(473,342.17)
<b>Sub total</b>		<b>(475,467.85)</b>	<b>(467,342.17)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	-	-
(ii) Trade payables -MSME		-	-
(iii) Trade payables -Others	21	-	96,864.62
(iv) Other Financial Liabilities	22	-	2,710.10
(b) Provisions	23	-	10,892.15
(c) Other non-current liabilities	24	-	604.13
<b>Sub total</b>		<b>-</b>	<b>111,071.00</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	198,686.94	198,687.04
(ii) Trade payables -MSME		-	-
(iii) Trade payables -Others	21	112,071.99	15,339.86
(iv) Other Financial Liabilities	22	378,033.93	372,288.99
(b) Provisions	23	16,356.27	5,505.02
(c) Other current liabilities	24	1,037.78	549.22
<b>Sub total</b>		<b>706,186.91</b>	<b>592,370.13</b>
<b>Total Equity and Liabilities</b>		<b>230,719.06</b>	<b>236,098.96</b>

Significant Accounting Policies and the accompanying notes 1 to 62 form an integral part of accounts.

As per our report of even date attached

For Bhatia & Bhatia

Chartered Accountants  
Firm Reg. No. 003202N

sd/-  
**(CA. R. Bhatia)**  
Partner  
M. No. 017572

Place: New Delhi  
Dated: 27.05.2022  
UDIN:22017572AJTQFW2048

sd/-  
**(K.K. Gupta)**  
Director Finance -MMTC Additional  
Charge of STC, DIN -08751137

sd/-  
**(VIPIN TRIPATHI)**  
Company Secretary  
ACS -29378

sd/-  
**(S.K CHAWLA)**  
Independent Director  
DIN -09400987

sd/-  
**(B S Rao)**  
CFO

**THE STATE TRADING CORPORATION OF INDIA LTD.**  
**CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2022**

(Rs. Lacs)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Income</b>			
i) Revenue from Operations	25	-	24,981.17
ii) Other Income	26	8,546.80	5,760.70
<b>Total Income</b>		<b>8,546.80</b>	<b>30,741.87</b>
<b>Expenses</b>			
i) Cost of materials consumed	27	-	-
ii) Purchases of Stock in trade	28	-	24,475.52
iii) Change in Inventory	29	-	10.44
iv) Employees' Benefit Expenses	30	4,164.22	8,246.50
v) Finance Cost	31	194.09	193.36
vi) Depreciation & Amortization Expenses	32	-	1,588.60
vii) Other Expenses	33	1,242.38	1,514.96
<b>Total expenses</b>		<b>5,600.69</b>	<b>36,029.38</b>
<b>Profit before exceptional items and tax</b>			
Exceptional Items -Expense/(Income)	34	2,946.11	(5,287.51)
		7,089.93	(262.48)
<b>Profit Before Tax</b>			
<b>Tax expense</b>	35	(4,143.82)	(5,025.03)
(i) Tax related to earlier years		-	19.63
(ii) Current Tax		(2,759.66)	-
(iii) Deferred tax		7,300.72	-
<b>Profit for the Year from continuing operations</b>			
Profit from discontinued operations after tax		(8,684.88)	(5,044.66)
<b>I Profit for the Year</b>		<b>(8,684.88)</b>	<b>(5,044.66)</b>
<b>II Other Comprehensive Income</b>			
i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans		559.20	352.54
Less: Income Tax on Above		-	-
ii) Items that will be reclassified to profit or loss		-	-
<b>Other Comprehensive Income</b>		<b>559.20</b>	<b>352.54</b>
<b>Total Comprehensive Income for the Year</b>			
		<b>(8,125.68)</b>	<b>(4,692.12)</b>
<b>Earnings per equity share :</b>			
(1) Basic		<b>(13.54)</b>	<b>(782.02)</b>
(2) Diluted		<b>(13.54)</b>	<b>(782.02)</b>

Significant Accounting Policies and the accompanying notes 1 to 62 form an integral part of accounts.

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

**For Bhatia & Bhatia**  
Chartered Accountants  
Firm Reg. No. 003202N

sd/-  
**(K.K. Gupta)**  
Director Finance -MMTC  
Additional Charge of STC,  
DIN -08751137

sd/-  
**(S.K CHAWLA)**  
Independent Director  
DIN -09400987

sd/-  
**(CA. R. Bhatia)**  
Partner  
M. No. 017572

sd/-  
**(VIPIN TRIPATHI)**  
Company  
Secretary  
ACS - 29378

sd/-  
**(B S Rao)**  
CFO

Place: New Delhi  
Dated: 27.05.2022  
UDIN:22017572AJTQFW2048

THE STATE TRADING CORPORATION OF INDIA LTD.  
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(Rs. Lacs)

Particulars	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit /(Loss) Before Tax	(4,143.82)	(5,026.70)
Adjustment for:		
-Interest on loans		
-Depreciation	-	1,588.20
-Net write back of Debts/Advances/claims/Liabilities/Assets	6,518.61	(547.70)
-Income/Expenditure relating to let out property	(6,495.07)	(4,490.56)
- Interest Income on fixed deposits/Investments	(577.60)	(794.47)
-Loss on sale of asset	0.04	(12.29)
-Amortisation of grants	(0.10)	(11.29)
-Profit on sale of assets	-	(4,268.11)
<b>Operating Profit Before Working Capital Changes</b>	<b>(4,697.94)</b>	<b>(9,294.81)</b>
Adjustment for:		
-Trade and other receivables	8,027.59	(1,998.80)
-Inventories	(3.01)	18.00
-Trade and other payables	(2,848.56)	(8,059.36)
<b>Changes In Working Capital</b>	<b>478.08</b>	<b>(19,334.97)</b>
Income Tax Paid	4.11	19.63
<b>Net Cash Generated/Used In Operating Activities (A)</b>	<b>473.97</b>	<b>(19,354.60)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
-Purchase of Fixed Assets	-	(236.52)
-Sale of Fixed Assets	10.47	43.80
-Proceeds Received from T-Bills/Deposits	(6,341.38)	9,176.20
-Interest received	577.60	809.00
-Let out properties (net)	6,495.07	4,491.10
<b>Net Cash From Investing Activities (B)</b>	<b>741.76</b>	<b>14,283.58</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
-Increase in loans	-	(207.85)
-Interest Paid	-	-
<b>Net Cash From Financing Activities (C)</b>	<b>-</b>	<b>(207.85)</b>
<b>Net Increase/Decrease In Cash And Cash Equivalents (A+B+C)</b>	<b>1,215.73</b>	<b>(5,278.87)</b>
Reconciliation of Cash & Cash Equivalents		
Closing Cash & Bank Balances as per Balance Sheet	20,368.55	19,152.82
Opening Cash & Bank Balances as per Balance Sheet	19,152.82	24,431.69
<b>Cash &amp; Bank Balances as per Cash Flow Statement</b>	<b>1,215.73</b>	<b>(5,278.87)</b>
Cash & cash equivalents as per Balance Sheet	20,368.55	19,152.82
Less : Non readily convertible Bank Deposits	16,679.51	10,336.86
Cash & cash equivalents as per cash flow statement	3,707.00	8,833.92
Cash & cash equivalents includes unpaid dividend		

\* Refer note no. 11, 16 & 17

Significant Accounting Policies and the accompanying notes 1 to 62 form an integral part of accounts.

**For Bhatia & Bhatia**  
Chartered Accountants  
Firm Reg. No. 003202N

sd/-  
**(K.K. Gupta)**  
Director Finance -MMTC  
Additional Charge of STC,  
DIN -08751137

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Secretary  
ACS - 29378

sd/-  
**(B S Rao)**  
CFO

Place: New Delhi  
Dated: 27.05.2022  
UDIN:22017572AJTQFW2048



THE STATE TRADING CORPORATION OF INDIA LTD.  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

(i) Equity Share Capital

Particulars	(Rs. Lacs)		
	No. of shares (in Lacs)	Face Value (Rs.)	Amount
Balance as at April 1, 2021	600.00	10.00	6,000.00
Change in share capital due to Prior Period error	-	-	-
Restated balance as at April 1, 2021	600.00	10.00	6,000.00
Changes in share capital during 2021-22	-	-	-
Balance as at March 31, 2022	600.00	10.00	6,000.00

Particulars	(Rs. Lacs)		
	No. of shares (in Lacs)	Face Value (Rs.)	Amount
Balance as at April 1, 2020	600.00	10.00	6,000.00
Change in share capital due to Prior Period error	-	-	-
Restated balance as at April 1, 2020	600.00	10.00	6,000.00
Changes in share capital during 2021-22	-	-	-
Balance as at March 31, 2021	600.00	10.00	6,000.00

(ii) Other Equity

Particulars	Reserves and Surplus						Total
	General Reserve	Capital Reserve	Retained Earnings	Exchange Fluctuation Reserve	Bonus Reserve	Revaluation Reserve	
Balance at April 1, 2021	6,553.10	250.00	(569,690.58)	1,084.80	0.33	88,460.18	(473,342.17)
Change in share capital due to Prior Period error	-	-	-	-	-	-	-
Restated balance as at April 1, 2021	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	(8,125.68)	-	-	-	(8,125.68)
Any Other Charges	-	-	-	-	-	-	-
Balance at March 31, 2022	6,553.10	250.00	(577,816.27)	1,084.80	0.33	88,460.18	(481,467.85)
Balance at April 1, 2020	6,553.10	250.00	(564,998.48)	1,084.80	0.33	88,460.18	(468,650.07)
Change in share capital due to Prior Period error	-	-	-	-	-	-	-
Restated balance as at April 1, 2020	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	(4,692.10)	-	-	-	(4,692.10)
Any Other Charges	-	-	88,460.18	-	-	-	88,460.18
Balance at March 31, 2021	6,553.10	250.00	(569,690.58)	1,084.80	0.33	88,460.18	(473,342.17)

As per our report of even date attached

For Bhatia & Bhatia

Chartered Accountants  
Firm Reg. No. 003202N

sd/-

(CA. R. Bhatia)

Partner

M. No. 017572

Place: New Delhi

Dated: 27.05.2022

UDIN:22017572AJTQFW2048

sd/-

(K. K. Gupta)

Director Finance -MMTC  
Additional Charge of STC, DIN -  
08751137

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(S.K CHAWLA)

Independent Director  
DIN -09400987

sd/-

(VIPIN TRIPATHI)

Company  
Secretary ACS  
ACS - 29378

sd/-

(B S Rao)

CFO

# Accounting Policy for STC, effective from FY 2021-22 onwards

## Assumption: Non-going concern

### 1. Corporate Information:

The State Trading Corporation of India Ltd. (STC) is a public limited company registered in India under the provisions of Companies Act applicable in India. Its shares are listed in two recognised stock exchanges in India. The registered office of the company is located at Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-110001. The Company has been engaged in the Trading Business i.e., import and export in bulk commodities of rice, wheat, sugar, pulses, edible oils, fertilisers, coal, bullion, etc., on behalf of Government/s or Private parties.

### 2. Basis of Preparation of Financial statement:

#### i) Statement of Compliance:

The financial statements have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules comply in all material aspects with the relevant provisions of the Companies Act 2013 and other accounting principle generally accepted in India.

#### ii) Basis of measurement:

Consequent upon the decisions taken in the meeting held on 29.08.2019, by the administrative ministry and further decision of the Board in its 639th meeting dated 05.04.2021, it has been resolved that STC to continue as a non-operating company for the time being and to prepare the accounts from the F.Y. 2021-22 onward on non-going concern basis. Appropriate changes to reflect this have been made in the Significant Accounting Policies and presentation of the financial statements.

#### iii) Critical Accounting Estimates/Judgements:

In preparing these standalone financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates where necessary are recognized prospectively.

Significant areas of estimation and judgments (as stated in the respective Accounting Policies) that have the most significant effect on the Financial Statements are as follows:

- a. Impairment of Assets.
- b. Measurement of useful life and residual values of property, plant and equipment and the assessment as to which components of the cost may be capitalized.
- c. Recognition and measurement of defined benefit obligations.
- d. Measurement of Fair Values and Expected Credit Loss (ECL)
- e. Judgment is required to ascertain whether it is probable or not that an outflow of resources embodying economic benefits will be required to settle the taxation disputes and legal claim.

#### iv) Operating cycle & classification of Current & Non-Current:

The Company had been in Trading Business, and there was no specific operating cycle; however, 12 months period has been adopted as "the Operating Cycle" in terms of the provisions of Schedule III to the Companies Act 2013. Accordingly, current liabilities and current assets include the current portion of non-current financial liabilities and assets. Considering the administrative ministry and the Board's decision there will be no further business activities except the pending contracts and in so far as may be required to realise the assets and settle the liabilities. Therefore, from Financial Year 2021-22 onwards, a general Operating Cycle of 12 months has been adopted.

#### v) Functional Currency:

The standalone financial statements are presented in Indian Rupee (INR) which is company's presentation and functional currency, and all values are in nearest Crores (up to two decimal) unless otherwise stated.

### 3. Significant Accounting Policies:

#### 3.1. Property, Plant & Equipment (PPE):

- a) Till the FY 2020-21, the cost of an item of PPE was being recognized as an asset if it were probable that future economic benefits associated with the items will flow to the company and the cost of the item can be measured reliably.

The cost of an item of PPE is comprised of:

- i. Purchase price, including import duties and non-refundable purchase taxes, after deducting tax recoverable, trade discounts and rebates.
  - ii. Costs directly attributable to bringing the PPE to the location and condition necessary for it to be capable of operating in the manner intended by management.
  - iii. Initial estimate of the costs of dismantling and removing the item and restoring the site on which it was located, the obligation for which the company incurred either when the PPE was acquired or as a consequence of having used the PPE during a particular period for purposes other than to produce inventories during that period.
- b) Subsequent expenditure related to an item of PPE was added to its book value only if it increased the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing items of PPE, including day-to-day repair and maintenance expenditure, were charged to the statement of profit and loss for the period during which such expenses were incurred.
  - c) Gains or losses arising from de-recognition of items of PPE were measured as the difference between the net disposal proceeds and the carrying amount of the asset and were recognized in the statement of profit and loss when the asset was derecognized.
  - d) The company has elected to continue with carrying value of PPE from the date of transition.
  - e) The financial statements for the year 2021-22 have been prepared on realization basis and the assets have been classified as "Held for Sale". It is probable that future economic benefits associated with the PPEs will not flow to the company in the normal course of business. Therefore, the PPEs have been carried based at their estimated realisable values. Any decrease in the carrying amount owing to such estimates have been charged to revaluation reserve to the extent the reserve created for the respective asset. The difference over and above the revalued amount is recognised in Statement of Profit or Loss under other comprehensive income.

### **3.2 Intangible Assets:**

- a) Till FY 2020-21 all identifiable intangible assets were recognized when the company controlled the asset, it was probable that future economic benefits expected with the respective assets will flow to the company for more than one economic period, and the cost of the asset could be measured reliably.
- b) Intangible assets acquired separately were measured on initial recognition at cost. Cost comprised purchase price, import duties, non-refundable purchase tax, after deducting tax recoverable, trade discount, rebate, and any cost directly attributable to bringing the asset to location and condition necessary for it to be capable of operating in the manner intended by Management. Following initial recognition, intangible assets were carried at cost less accumulated amortization and accumulated impairment losses, if any.
- c) All Intangible Assets (Computer Software's) were stated at carrying value from the date of transition.

The financial statements for the year 2021-22 have been prepared on realization basis and the assets have been classified as "Held for Sale". It is probable that future economic benefits associated with the Intangible Assets will not flow to the company in the normal course of business. Therefore, the Intangible Assets have been carried based at their estimated realisable values. Any change in the carrying amount owing to such estimates has been charged to revaluation reserve to the extent the reserve was created for the respective asset. The difference over and above the revalue amount is recognised in Statement of Profit or Loss under other comprehensive income.

### **3.3 Investment Property:**

Investment Properties are properties held to earn rentals and / or for capital appreciation. Till FY 2020-21, Investment properties were being measured initially at cost including transaction cost. Subsequently, Investment property was being stated at cost less accumulated depreciation and impairment losses, if any. Depreciation was being provided as per policy of the company for the same. Any gain or loss on disposal was being recognized in Statement of Profit & Loss.

The financial statements for the year 2021-22 have been prepared on realization basis and the assets have been classified as "Held for Sale". It is probable that the company may not be able to earn rentals in the normal course of business. Therefore, the Investment Properties have been carried based at the estimated realisable values. Any decrease in the carrying amount owing to

such estimates has been charged to revaluation reserve to the extent the reserve was created for the respective asset. The difference over and above the revalue amount is recognised in Statement of Profit or Loss under other comprehensive income.

### 3.4. Depreciation / Amortization:

Till FY 2020-21, Depreciation was provided on Straight Line Method over the useful life of assets as per Schedule II of Companies Act 2013, keeping a residual value of 5% of the original cost except for the assets in mentioned below:

- i. Intangible items were depreciated / amortized over a period of 2.5 years.
- ii. Land on perpetual lease was not amortised.
- iii. In case, life was not prescribed under Schedule II of the Companies Act, the same was determined by technically qualified person and approved by the Board of Directors keeping a residual value of 5% of the original cost. The details of such assets & estimated useful life are as under:

S. No.	Description of Assets	Estimated life in years
1.	Components: HVAC plant:-	
a)	Chiller Unit	15
b)	Piping work	15
c)	Air handling work	10
d)	Other components	15

- iv. Lease hold assets were amortised over the lease period.

Depreciation method, useful lives, and residual value were reviewed by the management at each year end.

The financial statements for the year 2021-22 have been prepared on realization basis and PPEs and Intangible Assets have been classified as "Held for Sale". Hence no depreciation shall be charged on the same and impairment owing to such re-classification has been charged to revaluation reserve to the extent the reserve was created for the respective asset. The difference over and above the revalued amount is charged to profit or loss.

Land on perpetual lease have been revalued, based on the legal rights of the Company in case of termination, and any change in carrying amount has been charged to revaluation reserve to the extent the reserve was created for the respective asset. The difference over and above the revalued amount is charged to profit or loss.

### 3.5 Impairment of Non-Financial Assets:

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

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

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are

tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

### 3.6 Leases:

W.e.f. 01.04.2019, Ind AS 116 "Leases" was applicable for accounting of leases: -

#### 1. As a Lessee: -

##### a. Right to use asset: -

- Initial Recognition and treatment– on the date of commencement of lease, the right of use (ROU) asset is measured at present value of lease payments discounted at the interest rate implicit in the incremental borrowing rate.
- Subsequent measurement and treatment- The ROU asset is depreciated as per the depreciation requirements in Ind AS 16 Property, Plant & Equipment. If the ownership is transferred by the company at the end of the lease term or if there is a certainty that the purchase option is exercised by the company, the ROU asset is depreciated over the useful life of the asset. In any other case, the ROU asset is depreciated over the useful life of the asset or the lease term whichever is shorter. Depreciation on the ROU asset is reflected as a charge in the profit & loss account.
- The financial statements for the year 2021-22 have been prepared on realization basis. It is probable that the assets taken on lease by Company may be surrendered within 12 months from the balance sheet date. Therefore, estimated lives of the ROU asset have been re-estimated and depreciation re-calculated accordingly. Any change in the Accumulated Depreciation owing to such re-estimation has been recognised in profit or loss.

##### b. Lease Liability: -

- Initial Recognition and treatment– on the date the of commencement of lease, the company measures the lease liability at present value of lease payments discounted at the interest rate implicit in the lease or the incremental borrowing rate.
- Subsequent measurement and treatment- The carrying amount of the lease liability will increase by the amount of interest accrued on the lease liability. The carrying amount will be reduced on account of the payments made towards the lease liability. The interest expense on lease liability, being a component of finance cost will be presented separately as a charge in the profit & loss account.

#### 2. As a Lessor: -

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

##### 1. Financial Lease: -

- i. Recognition of the asset- Assets held under financial lease are presented as a receivable at an amount equal to the net investment in the lease, increased / decreased by changes in the valuations done at regular intervals. Any increase / decrease in the valuations is recognised in the profit or loss account.
- ii. Recognition of the income- Finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the company's net investment in the lease.

##### 2. Operating Lease: -

- i. Recognition of the asset- Assets held under operating lease are capitalised in the books. The financial statements for FY 2021-22 have been prepared on a non-going concern basis. Therefore, such assets have been reinstated at the lower of net realisable value or the depreciated amount, whichever is lower.
- ii. Recognition of the income- The lease payments from operating leases shall have to be recognised as income on either a straight-line basis or another systematic basis. The lessor shall apply another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.
- iii. Recognition of expenses- the expenses associated with earning of lease income, like depreciation shall have to be recognised as expense.

### 3.7 Inventories:

Inventories are carried at lower of cost and netrealizable value. Cost is determined as under:

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

### **3.8. Revenue Recognition:**

IND AS 115 addresses the recognition of revenue from customer contracts and impacts on the amounts and timing of the recognition of such revenue.

Revenue from sale of goods, commodities and any other products are recognised when all following conditions are satisfied:

- i. Neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold is retained.
- ii. Significant risk and rewards of ownership of the goods have been transferred to the buyer.
- iii. The amount of revenue is measured reliably.
- iv. It is probable that the economic benefits associated with the transactions will flow to the company.
- v. The cost incurred or to be incurred in respect of transaction can be measured reliably.
- vi. If there are any trade discounts and volume rebate, with respect to revenues from the sale products and commodities are deducted from revenues.
- vii. Revenues are measured at fair value of consideration received or recoverable.

#### **a) Revenue from Operating Activities:**

- Revenues from operating activities include revenues relating to various trading transactions in which the company acts as principal, carries commodity inventories. These revenues are mainly from sale of fertilisers, food grains, metals and other products.
- Margins on Operating Transactions: Margins on operating transactions also include revenue from various trading activities in which company acts as a principal or an agent. Through its trading activities, the company facilitates its customers' purchase and sale of commodities/bullion and other products and charge a fixed margin as agreed.
- The company also facilitates conclusion of the contracts between suppliers / manufacturers and customers and delivery of the products between suppliers and customers. Revenue from such activities is recognised when the contracted services are rendered / goods are supplied to third parties / customers pursuant to the agreements.

IND AS 115 introduced a five-step approach to revenue recognition – identifying the contract; identifying the performance obligations in the contract; determining the transaction price; allocating that transaction price to the performance obligations; and finally recognising the revenue as those performance obligations are satisfied.

#### **i. Dividend and Interest Income**

Dividend income is recognised when the company's right to receive dividend is established.

Interest income from financial assets is recognised using the effective interest rate (EIR) method.

#### **ii. Claims**

Claims (including interest on outstanding) are recognised at cost when there is a reasonable certainty regarding its ultimate collection.

#### **iii. Revenue Recognition on Actual Realization**

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

- a) export benefits
- b) interest realizable from the items handled on government account.

#### **b) Foreign Currencies:**

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

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange difference which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalised as cost of assets. Additionally, exchange gains or losses on foreign currency borrowings taken prior to April 11, 2016 which are related to the acquisition or construction of qualifying assets are adjusted in the carrying cost off such assets.

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

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

**c) Borrowing Costs:**

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

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

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

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

**d) Employee Benefits:**

i. Short term employee benefits expected to be paid are recognised at their undiscounted amount in the accounting period in which they are incurred keeping the basis of estimates for actuarial calculation on non-going concern basis.

ii. Post-retirement benefits:

a. Defined contribution plan: Employees' benefit, under defined contribution plan comprising of provident fund (administered through separate trust) and pension fund (administered through defined contribution to LIC) are recognised based on the undiscounted obligation of the company to contribute to the plan in the period in which the employee renders the related service. The same is paid to funds administered through separate trust.

b. Defined Benefit plan:

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

ii. Liability towards post-retirement medical benefit is provided based on actuarial valuation as at the year end.

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

**e) Financial Instruments:**

Non derivative financial instruments

Non derivative financial instruments consist of:

I. Financial assets which include cash and cash equivalents, trade receivables, unbilled

revenues, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets;

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

### **Initial recognition**

Non derivative financial instruments are recognised initially at fair value including any directly attributable transaction costs. Financial assets are derecognised when substantial risks and rewards of ownership of the financial assets have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognised only when the company has not retained control over the financial assets.

### **Subsequent measurement**

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

- i. Cash and cash equivalents

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

- ii. Investments in liquid mutual funds, equity securities (other than subsidiaries, joint ventures, and associates) are valued at their fair value. These instruments are measured at fair value and changes therein, other than important losses, are recognised in statement of profit and loss and presented with in equity, net of taxes. The impairment losses, if any, are reclassified from equity into statement of income. When an available for sale financial asset is derecognised, the related cumulative gain or loss recognised in equity is transferred to the statement of income.

- iii. Loans and receivables

loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current financial assets. Loans and receivables are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade receivables, unbilled revenues, and other assets.

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

- iv. Security deposits

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

- v. Trade and other payables:

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

- vi. Investment in subsidiaries, associates and joint ventures:

The Company accounts investment in subsidiary, joint ventures, and associates at cost. An entity controlled by the Company is considered as a subsidiary of the Company. Investments in subsidiary companies outside India are translated at the rate of exchange prevailing on the date of acquisition. Investments where the Company has significant influence are classified as associates. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is neither control nor joint control over these policies. A joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arranged is classified as joint



venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities required unanimous consent of the parties sharing control.

#### Impairment of financial assets

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

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

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

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on individual basis. Objective evidence of impairment for a portfolio of receivables could include Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 0 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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

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

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

#### De-recognition of financial assets

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

On the recognition of financial assets in its entirety, the difference between the assets carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

#### **f) Taxation:**

Tax expense: -

Tax expense for the period comprises current tax and deferred tax. Tax recognised in

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

## **1. Current Tax**

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

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

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

## **2. Deferred tax**

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

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that has been enacted or substantively enacted by the end of the reporting period.

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

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

The DTA over and above the DTL recognized till 31.03.21 has not been carried forward and further, no DTA shall be recognized in view of the non-going concern basis of accounting.

## **g) Provisions, Contingent Liabilities and Contingent Assets:**

General:

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

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

Contingent liabilities:

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

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

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

Contingent assets:

Contingent assets are not recognised in the financial statements. Such contingent assets are assessed continuously and are disclosed in notes when the inflow of economic benefits become probable or if it is virtually certain that inflow of economic benefits will arise then such assets and the relative income will be recognised in the financial statements.

**Provision for doubtful debts/advances/claims**

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

**3.9.Earnings per share:**

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

**3.10.Segment Information:**

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on their revenue growth and operating income.

The company has identified its operating segments as exports, imports and domestic. The asset and liability is used in companies business to any of the operating segments that are not identified are shown as unallocated assets/ liabilities.

sd/-  
K K Gupta  
DIR-F –MMTC Additional Charge of STC  
DIN – 08751137

sd/-  
SK Chawla  
Independent Director  
DIN - 09400987

sd/-  
B S Rao  
CFO

sd/-  
Vipin Tripathi  
Company Secretary ACS -29378

As per our report of even date attached  
For Bhatia & Bhatia  
Chartered Accountants

sd/-  
Firm Reg. No. 003202N  
(CA. R. Bhatia)  
Partner  
M. No. 017572

Place: New Delhi  
Dated: 27.05.2022  
UDIN : 22017572AJTQFW2048

**THE STATE TRADING CORPORATION OF INDIA LTD.  
CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2022**

**4 Property, Plant and Equipment**

Particulars	GROSS BLOCK			DEPRECIATION & AMORTIZATION			ACCUMULATED IMPAIRMENT			(Rs. Lacs) NET BLOCK			
	Gross carrying value as at April 01, 2021	Additions	Disposal/ adjustments	Gross carrying value as at March 31, 2022	Accumulated depreciation as at April 01, 2021	Additions	Disposal/ adjustments	Accumulated depreciation as at March 31, 2022	As on April 01, 2021	Additions	Disposal/ adjustments	As at March 31, 2022	Carrying Value as at March 31, 2022
<b>Tangible Assets -Freehold</b>													
Land	990.29	-	990.29	-	-	-	-	-	-	-	-	-	-
Building	10,827.09	-	10,827.09	-	2,677.34	-	2,677.34	-	18.79	-	18.79	-	-
Plant & Machinery	1,040.07	-	1,040.07	-	334.67	-	334.67	-	-	-	-	-	-
Furniture & Fixtures	91.22	(5.05)	86.17	(5.05)	57.85	(3.44)	54.41	-	-	-	-	-	-
Motor Vehicle	93.78	-	93.78	-	54.88	-	54.88	-	1.25	-	1.25	-	-
Office Equipment	39.11	(0.01)	39.10	(0.01)	34.64	-	34.64	-	-	-	-	-	-
Computers, data processing units & communication equipment	80.25	(2.02)	78.23	(2.02)	66.06	(1.28)	64.78	-	0.82	-	0.82	-	-
Electrical Installations & Equipment	344.54	(3.37)	341.17	(3.37)	175.27	(2.05)	173.22	-	-	-	-	-	-
Other Assets held for Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total (A)</b>	<b>13,506.36</b>	<b>(10.45)</b>	<b>13,495.91</b>	<b>(10.45)</b>	<b>3,400.70</b>	<b>(6.77)</b>	<b>3,393.93</b>	<b>-</b>	<b>20.86</b>	<b>-</b>	<b>20.86</b>	<b>-</b>	<b>-</b>
<b>Tangible Assets -Leasehold</b>													
Land	38,496.42	-	38,496.42	-	52.22	-	52.22	-	-	-	-	-	-
Building	9,903.18	-	9,903.18	-	1,577.81	-	1,577.81	-	-	-	-	-	-
Roads, culverts & sewerage etc	17.30	-	17.30	-	9.61	-	9.61	-	-	-	-	-	-
Plant & Machinery	338.54	-	338.54	-	174.10	-	174.10	-	-	-	-	-	-
Others	349.79	-	349.79	-	20.13	-	20.13	-	-	-	-	-	-
<b>Total (B)</b>	<b>49,105.23</b>	<b>-</b>	<b>49,105.23</b>	<b>-</b>	<b>1,833.87</b>	<b>-</b>	<b>1,833.87</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A+B)</b>	<b>62,611.59</b>	<b>(10.45)</b>	<b>62,601.14</b>	<b>(10.45)</b>	<b>5,234.57</b>	<b>(6.77)</b>	<b>5,227.80</b>	<b>-</b>	<b>20.86</b>	<b>-</b>	<b>20.86</b>	<b>-</b>	<b>-</b>
Previous year	62647	96	62647	131	4223	1094	84	5234	21	-	-	19	57356

\* - Based on Accounting Policy on a non-going concern basis w.e.f 01.04.2021 all the assets previously grouped under Property, Plant and Equipment, Capital Work-in-progress, Investment Property & Intangible Assets are now transferred to "Non-Current Assets held for disposal" and are shown on Carrying Values as on 31.03.2021 as valuation of STC's immovable properties is under process. However as per last Valuation report, fair value as on 31.03.2020 based on current title is : JVB - Rs 75,675 lacs, STCHC- Rs 49,834 lacs & Others - Rs 29,652 lacs. In case of perpetual lease, Fair Market Value of JVB and Housing Colony is Rs. 2,61,183 lacs and Rs. 84,198 lacs respectively.

**Notes of Holding Company:-**

(a) Title/Lease deed in respect of following properties is pending for execution:-

**i. Leasehold Land:-**

Lease hold land includes land measuring 2.599 acres allotted by L&DO vide "Memorandum of Agreement for Lease" dated 05.12.1975 for construction of office building i.e. JawaharVyaparBhawan at Janpath, New Delhi for which lease deed is not yet executed in the name of the Company.

Lease hold land includes land measuring 16.17 acre (50% share of total Land 32.33 acre allotted in the joint name of STC & MMTCC) by erstwhile L&B Department/DDA vide Memorandum of Agreement dated 05.02.1968 for construction of Housing Colony at Aurbindo Marg, New Delhi. The lease deed demarcating 50% area of allotted leasehold land in the name of the company is not yet executed.

Leasehold land includes a plot at Mallet Bunder, Mumbai Port Trust (where STC has a Tank Farm Installation) for which lease period has expired and the surrender certificate has been executed on 12.11.2021. The tanks installed at Mallet Bunder has been surveyed by the M&PT and assets handed over on as is where is basis with an understanding that the value of the same shall be adjusted and paid to STC. Hence, appropriate treatment will be effected upon arrival of such valuation.

**ii. Freehold Building:-**

Freehold Building includes house building at Asian Games Village Complex (AGVC) allotted by DDA vide allotment letter dated 30.05.1984, which is earmarked for settlement under OTS on as is where is basis. The valuation of the properties is under way.

Free hold building includes 7 apartments in Mumbai (Located 2 at Wallace Apartment Grant Road , 3 at Mandar Apartment, 1 at Shyamsadan at Khar (West) and 1 at Las Palmas, Malabar hills), which is earmarked for settlement under OTS on as is where is basis. The valuation of the properties is under way.

(b) 325,685 square meters taken by NDMC for widening of roads during Asian Games and 388.91 square meters taken by DMRC for construction of Metro / Metro Station out of the total leasehold land allotted by L& DO to STC for construction of office building at (Jawahar Vyapar Bhawan) Tolstoy Marg, Janpath, New Delhi. The Company has taken up the matter with L&DO for reduction of both the area and the records will be updated in Fixed Assets register/Schedule in respect of its area & value once the final outcome in the matter is arrived at. The efforts are being made with L&DO in this regard on regular basis.

(c) As approved in the 436th Board Meeting dated 12th August 1991 for the sale of "Office Space in the Jawahar Vyapar Bhawan Building" total Office Space measuring 67,418 sq. ft. were sold to CCIC & HHEC. Thus, CCIC and HHEC are co-owners limited to the property under their possession.

**THE STATE TRADING CORPORATION OF INDIA LTD.**  
**CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2022**

**5 Capital Work- In- Progress**

(Rs. Lacs)

Particulars	Balance as at April 01, 2021	Additions/ (Adjustments) during the year	Capitalized during the year	Balance as at March 31, 2022
Office Building	-	-	-	-
Plant & Equipment	153.77	(153.77)	-	-
Office Equipment	3.42	(3.42)	-	-
Others	-	-	-	-
Intangible Assets under Development	25.97	(25.97)	-	-
<b>Total</b>	<b>183.16</b>	<b>(183.16)</b>	<b>-</b>	<b>-</b>
<b>Previous Year</b>	<b>45.16</b>	<b>141</b>	<b>3</b>	<b>183.16</b>

**6 Investment Property**

(Rs. Lacs)

Particulars	FREEHOLD		LEASEHOLD		Total
	Land	Building	Land	Building	
Gross carrying value as at April 1, 2021	1,614.20	401.37	20,404.66	9,771.64	32,191.87
Additions	-	-	-	-	-
Disposal/adjustments	1,614.20	401.37	20,404.66	9,771.64	32,191.87
<b>Gross carrying value as at March 31, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Accumulated depreciation as at April 1, 2021	-	41.81	301.75	2,070.73	2,414.29
Additions	-	-	-	-	-
Disposal/adjustments	-	41.81	301.75	2,070.73	2,414.29
<b>Accumulated depreciation as at March 31, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Impairment as at April 1, 2021	-	2.03	-	-	2.03
Additions	-	-	-	-	-
Disposal/adjustments	-	2.03	-	-	2.03
<b>Impairment as at March 31, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Carrying Value as at March 31, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Previous Year (Net)</b>	<b>1614</b>	<b>357</b>	<b>20103</b>	<b>7702</b>	<b>29776</b>

\* - Based on Accounting Policy on a non-going concern basis w.e.f 01.04.2021 all the assets previously grouped under Property, Plant and Equipment, Capital Work-in-progress, Investment Property & Intangible Assets are now transferred to " Non-Current Assets held for disposal" and are shown on Carrying Values as on 31.03.2021 as valuation of STC's immovable properties is under process. However as per last Valuation report, fair value as on 31.03.2020 based on current title is : JVB - Rs 75,675 lacs, STCHC- Rs 49,834 lacs & Others - Rs 29,652 lacs. In case of perpetual lease, Fair Market Value of JVB and Housing Colony is Rs. 2,61,183 lacs and Rs. 84,198 lacs respectively.

Amounts recognized in the statement of profit & loss for investment properties

Particulars	for the year ended March 31, 2022	for the year ended March 31, 2021
Rental income derived from Investment Properties	7,420.11	4858
Direct operating expenses from property that generated rental income	(927.45)	719
<b>Profit from investment properties before depreciation</b>	<b>6,492.66</b>	<b>4139</b>
Depreciation	-	485
<b>Profit from investment properties</b>	<b>6,492.66</b>	<b>3645</b>

**7 Intangible Assets**

(Rs. Lacs)

Particulars	Computer Softwares	Others	Total
Gross carrying value as at April 1, 2021	13.92	-	13.92
Additions	-	-	-
Disposal/adjustments	13.92	-	13.92
<b>Gross carrying value as at March 31, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>
Accumulated amortisation as at April 1, 2021	13.12	-	13.12
Additions	-	-	-
Disposal/adjustments	13.12	-	13.12
<b>Accumulated amortisation as at March 31, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Carrying Value as at March 31, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Previous Year (Net)</b>	<b>0.80</b>	<b>-</b>	<b>0.80</b>

**THE STATE TRADING CORPORATION OF INDIA LTD.**  
**Consolidated Notes to Accounts for the year ended March 31, 2022**

(Rs. Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>8 Investments</b>		
<b>Current</b>		
<b>Long Term</b>		
<b>Unquoted Investments</b>		
<b>Investment in Equity instrument ~ Subsidiary *</b>		
<b>STCL Limited (100% Holding)</b>		
1,50,000 (Fully paid up Equity shares of Rs. 100 each)		
Less: Impairment in value of Investment		
<b>Net</b>	-	-
<b>Investment in Equity instrument ~ Joint Ventures **</b>		
<b>NSS Satpura Agro Development Company Limited</b>		
2,00,000 (Fully paid up Equity shares of Rs. 10 each)	20.00	20.00
Less: Impairment in value of Investment	20.00	20.00
<b>Net</b>	-	-
<b>Others</b>		
<b>Sea Lac Agro Ventures Limited</b>		
1,00,000 (Fully paid up Equity shares of Rs. 10 each)	10.00	10.00
Less: Impairment in value of Investment	10.00	10.00
<b>Net</b>	-	-
<b>Maharashtra Small Scale Industries Development</b>		
10,000 (Fully paid up Equity shares of Rs. 100/-each)	10.00	10.00
Less: Impairment in value of Investment	10.00	10.00
<b>Net</b>	-	-
100 (Fully paid up Equity shares of Rs. 1000/-each)	1.00	1.00
Less: Impairment in value of Investment	-	-
<b>Net</b>	1.00	1.00
<b>Sindhu Resettlement#</b>		
4 (Fully paid up Equity shares of Rs. 1000/-each)	0.13	0.13
Less: Impairment in value of Investment	0.09	0.09
<b>Net</b>	0.04	0.04
<b>Total</b>	<b>1.04</b>	<b>1.04</b>

\* The union cabinet has approved in its meeting dated 13th August, 2013 for winding up of Subsidiary M/s. STCL Limited. Accordingly, the subsidiary has filed winding up petition on 26.11.2013 before Hon'ble High Court of Karnataka. However, the Bankers of Subsidiary has also filed petition against such winding up petition as their dues are pending for recovery. The case is still pending before Hon'ble High Court of Karnataka.

However, full amount of investment in the Subsidiary (100 % Subsidiary of STC) amounting to Rs. 2.82 Crore (Rs. 2.82 Crore) has been provided for (retaining a nominal value of Rs. 1/-) as the net worth of the subsidiary has been eroded completely.

\*\* Investment of Rs. 0.10 Crore (Rs. 0.10 Crore) in a Joint Venture Company (NSS Satpura Agro Development Co. Ltd.) has been fully provided for as the Net Worth of the Company has been eroded completely.

#Nominal Value of Rs. 4000/-

<b>9</b>	<b>Trade Receivables</b>		
<b>A</b>	<b>Non Current</b>		
	i. Secured ~ Considered good *	-	-
	ii. Unsecured Considered good	-	29,839.96
	iii. Having Significant increase in credit risk **	-	63,029.54
	iv. Credit Impaired	-	61,668.97
	<b>Sub-total</b>	-	154,538.47
	Less : Allowance for bad and doubtful receivables	-	61,668.97
	<b>Total (A)</b>	-	<b>92,869.50</b>
<b>B</b>	<b>Current</b>		
	i. Secured, Considered good *	-	-
	ii. Unsecured Considered good	38,858.11	9,036.22
	iii. Having Significant increase in credit risk **	67,833.68	4,788.39
	iv. Credit Impaired	65,551.17	3,884.20
	<b>Sub-total</b>	172,242.96	17,708.81
	Less: Allowance for bad and doubtful debts	65,551.17	3,884.20
		106,691.79	13,824.61
	<b>Total (B)</b>	<b>106,691.79</b>	<b>13,824.61</b>
	<b>Total (A+B)</b>	<b>106,691.79</b>	<b>106,694.11</b>

#### Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment					Total
	Less than	6 months	1-2	2-3	More than	
(i) Undisputed Trade receivables – considered good	-	-	-	-	9,018.15	9,018.15
(ii) Undisputed Trade Receivables – which have significant	-	-	-	-	711.42	711.42
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-		-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	32,663.50	32,663.50
(v) Disputed Trade Receivables – which have significant increase	-	-	-	-	67,122.27	67,122.27
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	62,727.62	62,727.62

#### Notes of Holding Company:-

\*\* Out of the total trade receivable of Rs. 1,72,243 Lacs includes Rs. 67,834 Lacs "having significant increase in credit risk" being under dispute/litigation (for details of major legal cases refer note no. 38 ).

Trade receivables against which dispute/legal proceedings are under process, have been considered as "Having Significant increase in credit risk". The company feels that even if no amount would eventually be recovered, no credit impairment is required for the credit risk since the creditor will be paid by the company only to the extent the amount is realized from the debtors.

#### Notes of Subsidiary Company:-

Rs.2,07,78,442/-[excluding interest and trade margin] was due from one of the debtor against High Seas Sale and Pledge of stocks in their premises which was under CWC management. As the payment were not received, the Company invoked the Personal Corporate Guarantee executed by the debtor in favor of the company and filed cases under Section 138 of N.I.Act. The company has made full provision for Rs, 2,07,78,442/- in the earlier years.

Arbitral award dtd.30.09.2013 came in favor of the Company for recovery of claims debtor has challenged the Arbitral award in the court and the Company has filed its objection. The party has remitted a sum of Rs, 19,25,000/- during the financial year 2018-19 , the same has been reversed in earlier provisions and leaving a balance of 1,88,53,442/-.MCAL had filed petitions before High Court of Karnataka praying for quashing the cheque bounce cases filed by STCL against MCAL and its Directors and STCL is in the process of filing objections to the petitions filed by MCAL.

Rs.17,10,36,656/- is due from another debtor R.Piyarelall Import & Export Ltd., Kolkata (RPIEL). The Company has filed a private complaint in the magistrate court against RPIEL and C&F Agent for unauthorized lifting of stock, which has been referred to the jurisdiction police station at Bangalore. Since B.Report was filed by the police. Company has challenged on the B report in the court requesting for re-investigation which was allowed by the court on 21.12.2019 and fresh Criminal case is registered against the

accused and matter is in progress. The Company has initiated action u/s.138 of Negotiable Instrument Act for the return of the cheque unpaid and the case is in progress. In addition the Company has invoked the personal guarantee issued by the director of RPFPL and against the non payment the Company has filed a recovery suit in the Kolkata High Court The Arbitral award dtd.23.03.2016 came in favor of the Company

The Company has made full provision for Rs.17,10,36,656/- in the earliest years. The company has also filed a petition under Section 7 of IBC Act, before NCLT, Kolkatta against the said debtor and further company has joined IBC proceedings with State Bank of India and others as Financial Creditors. Resolution Professional was appointed and Commitee of Creditors decideded by liquidation of Rythem Overseas Trade Ltd. erstwhile RPIEL. NCLT, Kolkata on 06.01.2021 ordered for liquidation of Corporate Debtor, Rythem Overseas Trade Ltd. u/s 33(2) of IBC, 2016 and appointment of Shri.Abhijeet Jain as Liquidator. Thereafter STCL filed claim of Rs.39.26 crore before Liquidator on 19.02.2021 and next date is awaited.

Rs.8,96,18,184/- is due from another debtor (for which provision was made in the earlier years) against High seas Sale and Pledged of stocks held in the premises of Container Corporation of India at Chennai. As the Payments were not received. The Company invoked the personal Corporate Guarantee executed by debtor under 138 of NI Act. STCL is in the process of exploring possibilities with custom authorities for liquidation of the available stock for recovery of the dues.

STCL had initiated Arbitration and Retired Justice had been appointed on 19.06.2016 as Arbitration proceedings was completed and the award was given in favor of STCL vide the order dated 20.06.2017 for an amount of Rs,8,96,18,184/- however SGRML has challenged the award in the city civil court Bangalore which is in progress. Case filed by the company under Section 138 of NI Act has been dismissed and the company has challenged the order and moved an appeal before the High Court of Karnataka, the matter is pending.

<b>10</b>	<b>Loans</b>		
	<b>Non-current</b>		
	<b>A. Security Deposits</b>		
	I. Secured, considered good	-	-
	II. Unsecured, considered good	-	67.49
	III. Having Significant increase in credit risk	-	1,073.54
	IV. Credit Impaired	-	577.09
	<b>Sub-total</b>	-	<b>1,718.12</b>
	Less: Allowance for bad and doubtful deposits	-	577.09
	Less: Fair value Adjustment-SD	-	-
	<b>Total (A)</b>	-	<b>1,141.03</b>
	<b>B. Loan to Others</b>		
	I. Secured, considered good		
	II. Unsecured, considered good		
	iii. Credit Impaired	-	3,424.61
	Sub-total	-	3,424.61
	Less: Allowance for bad and doubtful advances	-	3,424.61
	(B)	-	-
	<b>C. Loan to Employees</b>		
	I. Secured, considered good *	-	109.53
	II. Unsecured, considered good	-	-
	III. Having Significant increase in credit risk	-	-
	IV. Credit Impaired	-	-
	V. Interest accrued	-	264.22
	Sub-total	-	<b>373.75</b>
	Less: Allowance for bad and doubtful loans	-	-
	Less: Fair value adjustments (Loans to employees)	-	127.72
	<b>Total (C)</b>	-	<b>246.03</b>
	<b>Total (A+B+C)</b>	-	<b>1,387.05</b>



<b>Current</b>		
<b>A. Security Deposits</b>		
I. Secured, considered good	-	0.01
II. Unsecured, considered good	3,277.01	3,489.05
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	7.13	-
<b>Sub-total</b>	<b>3,284.14</b>	<b>3,489.06</b>
Less: Allowance for bad and doubtful deposits	7.13	-
Less: Fair Value Adjustment-SD	-	0.03
<b>Total (A)</b>	<b>3,277.01</b>	<b>3,489.03</b>
<b>B. Loan to others</b>		
I. Secured, considered good	-	-
II. Unsecured, considered good	0.20	0.20
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	-	-
<b>Sub-total</b>	<b>0.20</b>	<b>0.20</b>
Less: Allowance for bad and doubtful loans	-	-
<b>Sub-total</b>	<b>0.20</b>	<b>0.20</b>
<b>C. Loan to Employees</b>		
I. Secured, considered good *	99.98	32.77
II. Unsecured, considered good	6.20	6.79
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	-	-
Add: Interest accrued	260.41	63.80
<b>Sub-total</b>	<b>366.59</b>	<b>103.36</b>
Less: Allowance for bad and doubtful loans	-	-
Less: Fair value adjustments (Loans to employees)	-	1.96
<b>Total (C)</b>	<b>366.59</b>	<b>101.40</b>
<b>Total (A+B+C)</b>	<b>3,643.80</b>	<b>3,590.63</b>

#### Notes of Subsidiary Company:-

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

Rs.12,64,02,768/- [excluding interest] is due from one of the Business Associate , regarding a stock of around 29,400 MTS of Iron ore fines [subject to handling and storing loss an account of long storage period] approximately valuing Rs. 3,38,10,000/- as per the present market value. The stocks are in the custody of C&F agent at Vizag and there is claim of custodian charges amounting to Rs. 1,66,95,220/- Further business associate has moved in the High Court of Karnataka for appointment of Arbitrator which was not allowed by the court and also the injunction application filed by FR IPL u/s 9 of A& C Act was also dismissed by the court.

Rs.6,85,78,122/-[excluding interest] is due from one of the business associate , the matter was referred to arbitration. In arbitral award of Rs,8.00 Crore was passed in favour of STCL, Which was challenged by the party before city civil court, Bangalore. STCL had filed objections to appeal and after hearing the matter the appeal filed by the party against arbitral award was dismissed. bank guarantee of Rs,8.00 Crore was encashed by the company.Further the party has gone for an appeal before Hon'ble High Court of Karnataka which is pending for disposal.As per the opinion of our dealing advocate the amount of Rs, 8.00 Crore is not utilised by the company and is kept has short term deposit since matter is pending before High Court of Karnataka.

Rs.12,38,13,723 [excluding interest] is due from another business associate. The company is pursuing the legal/recovery cases against the party.

Rs.14,79,439/- pertains to Security Deposits paid by STCL while undertaking Civil Supplies /tender businesses prior to 2007-08. This amount was retained in the previous years and also during the current year since the litigation is going on against defaulted business associate.

Above deposits of Rs.2,00,000 pertains to deposit with The State Trading Corporation of India Limited for lease rentals,Amount for Ten months rent with monthly rent of Rs.20,000 has been kept.

<b>11</b>	<b>Other Financial Assets</b>		
	<b>Non-current</b>		
	<b>A. Term deposit with maturity more than 12 months :</b>		
	- Term Deposit with Banks	-	216.55
	- Term Deposit with others*	-	981.35
	<b>(A)</b>	<b>-</b>	<b>1,197.90</b>

<b>B. Claims Recoverable</b>		
I. Secured, considered good	-	-
II. Unsecured, considered good	-	560.00
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	-	10,303.30
<b>Sub-total</b>	-	10,863.30
Less: Allowance for bad and doubtful claims	-	10,303.30
<b>(B)</b>	-	<b>560.00</b>
<b>C. Deposits</b>	-	-
<b>D. Other Misc. advance</b>	-	-
<b>(D)</b>	-	-
<b>Total (A+B+C+D)</b>	-	<b>1,757.90</b>
<b>Current</b>		
<b>A. Interest accrued on:</b>		
- Term deposits with maturity more than 3 and upto 12 months	19.60	18.41
- Other Deposits (Flexi Deposits)	1,011.31	-
- Interest Accrued but not due on deposits/T Bills	94.40	41.79
<b>B. Treasury Bills</b>	16,661.55	10,318.90
<b>Sub-total</b>	<b>17,786.86</b>	<b>10,379.10</b>
<b>C. Other</b>	-	-
<b>D. Claims Recoverable</b>		
I. Secured, considered good	152.43	152.43
II. Unsecured, considered good	5,593.10	2,881.80
III. Having Significant increase in credit risk	4.53	4.53
IV. Credit Impaired	118,474.57	115,525.17
<b>Sub-total</b>	124,224.63	118,563.93
Less: Allowance for bad and doubtful advances	118,474.57	115,525.17
<b>(D)</b>	<b>5,750.06</b>	<b>3,038.76</b>
<b>D. Security Deposits</b>		
I. Secured, considered good	-	-
II. Unsecured, considered good	14.78	-
III. Having Significant increase in credit risk	1,073.54	-
IV. Credit Impaired	569.96	-
Sub-total	1,658.28	-
Less: Allowance for bad and doubtful advances	569.96	-
<b>(D)</b>	1,088.32	-
<b>Total (A+B+C+D)</b>	<b>24,625.23</b>	<b>13,417.87</b>
<b>Total (Other Financial Assets)**</b>	<b>24,625.23</b>	<b>15,175.77</b>
* Under Lien		
** For details on major cases refer note no. 39		

#### Notes of Subsidiary Company:-

Loans and Advances includes Rs.11,55,25,17,085/- [net of security deposit/margin money] shown as Claims Receivable from Business Associates. The Company opened issuance letters of credit on overseas suppliers for import of Metal Scraps-[Nickel/Copper Scrap] for merchanting trade at the cost and risk of the Business Associates. The associates / buyers failed to meet the commitment of making the payment before the due dates of the Letters of Credit and this resulted in devolvement of LC's on Company. The net amount due from above business associate is Rs.11,55,25,17,085/- towards the cost of cargoes stuffed in 885 containers supposed to contain Nickel and Copper Scrap which were lying at South Korean and Vietnam Ports. As the payments were not received, few containers were got opened by the Company which were found to contain Iron Scrap instead of Nickel and Copper Scrap. The containers were auctioned by the port authorities. In view of the cargo being assessed as Iron/Steel Scrap and the auction sale price ranging from USD 206 to 250 per MT, the Company has filed complaints against overseas seller business associates as well as international inspection agency all the Criminal complaints filed in India have been transferred to CBI New Delhi. CBI has investigated the matter and filed charge sheet on 7th December, 2016 in the court of XXI

Additional City Civil & Sessions Judge & Special Judge for CBI cases Bangalore (CCH-4). The Enforcement Directorate, has issued a show cause notice to STCL and its four officials, business associates and 8 bankers of STCL in December 2011. The Company has replied to the show cause notice. Further The Special Director, Enforcement Directorate, Chennai, summoned the Company on 25.03.2014 and Company appeared and presented the details in the adjudication process. After completion of enquiry, Special Director, Enforcement Director Chennai passed an order bearing No.SDE/ SRO/BGZO / 01 / 2018 (KRUB) Dated:30.01.2018 whereby STCL was held liable for contravening the provision of the foreign exchange management act 1999 (FEMA) and in particular section 10 (6) of the (FEMA)read with regulation 6(1) of the Foreign Exchange Management (Realisation,Repatriation and Surrender of Foreign Exchange Regulation) 2000.

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

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

Subsequent to the dismissal of SLP filed in the Supreme Court by FMPL/FEIPL, the High Court of Karnataka has re-appointed as sole Arbitrator vide its order dtd. 07.04.2017. He had issued the notice to both the parties for appearing on 18.05.2017 to start the arbitration proceedings. However he relinquished the office of the arbitration citing personal reason and STCL approached High Court of Karnataka for appointment of New Arbitrator. High Court vide its order dated 06.09.2017 appointed former Judge of High Court of Karnataka to adjudicate the matter. The company has deposited the arbitration fees and The arbitration proceedings is in progress.

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

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

Two employees when applied for VCC had been paid in excess amounting to Rs 4,52,929 and for which the company has filed recovery suits which is pending for disposal

(Amount in INR)

Particulars of Properties	Average Value	
<b>Immovable properties of Business Associates :</b>		
Land located at Punjab [501.66 acres] as per valuation report did. 02.12.2016.	4,002,800,000	
Office Building located at New Delhi [9000 sqft]	296,900,000	
Land located at Chennai [9 acres]	402,500,000	
Land located at Maharashtra [29.951 acres] as per valuation report did. 18.06.2013	256,321,000	
Land located at Gujarat [202.618 acres]	200,000,000	5,158,521,000.0
<b>Movable properties of Business Associates :</b>		
Shares[45000] of Universal Pavers Pvt. Ltd.,Tuticorin		169,800,000.0
<b>TOTAL</b>		<b>5,328,321,000.0</b>

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

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

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

<b>12</b>	<b>Deferred tax assets (Net)</b>		
	Deferred tax assets and liabilities are attributable to the following:		
		<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
	<b>Particulars</b>		
	<b>A. Deferred Tax Liability</b>		
	Property, plant and equipment	-	206.97
	<b>Sub Total</b>	-	<b>206.97</b>
	<b>B. Deferred tax Assets</b>		
	Provisions	-	7,507.80
	<b>Sub Total</b>	-	<b>7,507.80</b>
	<b>C. MAT Credit Entitlement</b>	1,347.81	1,347.81
	<b>Net Deferred Tax (Liabilities)/ Assets</b>	<b>1,347.81</b>	<b>8,648.64</b>
	<b>Unrecognised Deferred tax assets</b>		
	Deferred tax assets have not been recognised in respect of the following items		
	<b>Deferred Tax Assets</b>		
	Provisions	-	25,777.60
	Carry Forward losses	-	17,719.82
	Other Disallowances	-	1,557.10
	<b>Sub Total</b>	-	<b>45,054.52</b>
	<b>Deferred Tax Liabilities</b>		
	Property Plant & Equipment	-	7,780.93
	<b>Sub Total</b>	-	<b>7,780.93</b>
	Change in tax rate effect not recognized	-	-
	<b>Total</b>	-	<b>37,273.59</b>
<b>13</b>	<b>Tax Assets (Net)</b>		
	<b>Current Tax Assets</b>		
	Advance Tax including TDS	14,072.77	22,339.64
	TDS		
	<b>Current Tax Liabilities</b>		
	Income Tax Payable/Provision	11,733.36	19,137.46
	<b>Total</b>	<b>2,339.40</b>	<b>3,202.18</b>
<b>14</b>	<b>Other Assets (Non-Financial)</b>		
	<b>Non-Current</b>		
	<b>A. Trade Advances</b>		
	I. Secured, considered good	-	-
	II. Unsecured, considered good	-	-
	III. Having Significant increase in credit risk	-	-
	IV. Credit Impaired	-	9,222.78
	<b>Sub-total</b>	-	<b>9,222.78</b>
	Less: Allowance for bad and doubtful advances	-	9,222.11

	<b>(A)</b>	-	0.67
	<b>B. Other Misc. Advances</b>		
	I. Secured, considered good	-	-
	II. Unsecured, considered good	-	-
	III. Having Significant increase in credit risk	-	-
	IV. Credit Impaired	-	26.26
	<b>Sub-total</b>	-	<b>26.26</b>
	Less: Allowance for bad and doubtful advances	-	26.26
	<b>(B)</b>	-	-
	<b>C. Security Deposits</b>		
	I. Secured, considered good	-	-
	II. Unsecured, considered good	-	325.14
	III. Having Significant increase in credit risk	-	0.02
	IV. Credit Impaired	-	37.21
	<b>Sub-total</b>	-	<b>362.37</b>
	Less: Allowance for bad and doubtful deposits	-	37.21
	<b>(C)</b>	-	325.16
	D. Deferred Employee cost due to Fair Valuation	-	129.78
	E. Deferred Fair Valuation Loss- Deposit Receivable	-	-
	<b>F. Claims Recoverable</b>		
	I. Secured, considered good	-	-
	II. Unsecured, considered good	-	-
	III. Having Significant increase in credit risk	-	-
	IV. Credit Impaired	-	417.21
	<b>Sub-total</b>	-	<b>417.21</b>
	Less: Allowance for bad and doubtful claims	-	417.21
	<b>(F)</b>	-	-
	<b>Total (A to F)</b>	-	<b>455.61</b>
	<b>Current</b>		
	<b>A. Capital Advances</b>		
	i. Secured, Considered good	-	-
	ii. Unsecured Considered good	25.53	25.53
	iii. Having Significant increase in Credit Risk	-	-
	iv. Credit Impaired	-	-
	<b>Sub-total</b>	<b>25.53</b>	<b>25.53</b>
	Less: Allowance for bad and doubtful advances	-	-
	<b>(A)</b>	<b>25.53</b>	<b>25.53</b>
	<b>B. Trade Advances</b>		
	I. Secured, considered good	-	-
	II. Unsecured, considered good	1.15	1.15
	III. Having Significant increase in credit risk	0.68	-
	IV. Credit Impaired	9,121.19	-
	<b>Sub-total</b>	<b>9,123.02</b>	<b>1.15</b>
	Less: Allowance for bad and doubtful advances	9,121.19	-
	<b>(B)</b>	<b>1.83</b>	<b>1.15</b>
	<b>C. Other Misc. Advances</b>		
	I. Secured, considered good	137.59	-
	II. Unsecured, considered good	421.27	1.54
	III. Having Significant increase in credit risk	135.33	135.31
	IV. Credit Impaired	138.14	-
	<b>Sub-total</b>	<b>832.33</b>	<b>136.85</b>
	Less: Allowance for bad and doubtful advances	138.14	-
	<b>(C)</b>	<b>694.19</b>	<b>136.85</b>

<b>D. Other</b>		
Prepaid Expenses	-	36.84
TA Advances	0.02	0.02
Advance for expenses	51.09	18.41
GST Input	380.09	498.15
VAT Receivable - Input/Service Tax Credit	28.79	28.78
Other	24.17	24.44
Deposits	3.39	0.89
	<b>(D)</b>	<b>487.55</b>
<b>E. Deferred Employee cost due to Fair Valuation</b>	-	-
<b>F. Deferred Fair Valuation Loss- Deposit Receivable</b>	-	0.03
<b>G. Claims Recoverable</b>		
I. Secured, considered good	-	0.89
II. Unsecured, considered good	0.01	-
III. Doubtful	-	0.32
	<b>Sub-total</b>	<b>0.01</b>
Less: Allowance for bad and doubtful claims	-	<b>0.32</b>
	<b>(G)</b>	<b>0.01</b>
	<b>Total (A to G)</b>	<b>1,209.12</b>
		<b>771.99</b>

For details refer note no. 39

#### Notes of Subsidiary Company:-

Rs. 1,14,970/- is due from a fertilizer company and pertains to the fertilizer distribution business carried out by STCL during FY 2011-12. A view will be taken after obtaining approval from Competent Authority whether this amount is recoverable or not and whether to retain or write off this amount.

Service Tax credit receivable of Rs. 13,96,838/- and VAT Credit receivable of Rs. 7,91,704/- pertains to pre GST regime and since the transitional credit facility as per Section 148 of CGST Act, 2017 cannot be availed, the Company intends to take an expert opinion in this regard and after obtaining appropriate approvals from Competent Authority, decision will be taken whether to retain or write off in the Books of Accounts.

The GST Balances as per books and portal varies, since some of the parties have not filed their GST returns and the same is not yet updated in the portal. Company is following up with the vendors for filing the same. GST input not claimed includes inputs of quarter 4 for which the return is filed on 21.04.2022

Since the gratuity fund is managed by LIC provision to the extent of Rs. 22,82,188 was reversed during the year and plan asset of Rs. 75,60,350 and present value of obligation of Rs 75,45,229/- is created as per actuarial report.

<b>15 Inventories</b>			
A. Stock in trade including with handling agents/local agents	-	-	-
B. Stores and spares	5.46	2.65	
C. Packing Materials	-	-	
D. Stationery	1.60	1.51	
	<b>Total</b>	<b>7.06</b>	<b>4.16</b>
<b>16 Cash &amp; Cash Equivalents</b>			
	<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
	Cash in hand	0.25	0.09
	Cheques, Drafts on hand		
	Stamps & Stamp Papers* (including cash in hand)	0.09	0.09
	<b>Balances with Banks</b>		
	- Cash Credit account - Debit Balance	-	-
	- Current Accounts	397.72	358.72
	- Current Account in Foreign currency - EEFC	1.03	1.03
	<b>Sub-total</b>	<b>399.09</b>	<b>359.93</b>
	<b>Other Bank Balances</b>		
	- Term Deposits with maturity upto 3 months	3,307.91	8,474.10
	<b>Sub-total</b>	<b>3,307.91</b>	<b>8,474.10</b>
	<b>Total</b>	<b>3,707.01</b>	<b>8,834.03</b>

\*Nominal Value of Rs. 16,737/-

Notes of Subsidiary Company:-

Bank guarantee for Rs. 8.00 Crore encashed by the company against arbitral award passed in favour of STCL is deposited as short term fixed deposit with maturity of 15 days

<b>17</b>	<b>Bank Balances</b>		
	<b>Current</b>		
	a. Balances with Banks		
	- Unpaid Dividend Balance Account	-	-
	- As Margin money/under lien	17.96	18.06
	- In term deposits with maturity more than 3 and upto 12 months	-	-
	<b>Total</b>	<b>17.96</b>	<b>18.06</b>

**Notes of Subsidiary Company:-**

Rs. 17,95,742/- pertains to Margin money with the banks for undertaking third country merchanting trade . Since no settlement is arrived with the banks and OTS proposal is not yet finalized , this amount is shown under Current Asset as balances with banks.

<b>18</b>	<b>Equity Share Capital</b>		
	<b>Authorized Equity shares</b>		
	<b>20,00,00,000 equity shares of Rs. 10/- each</b>	2,000.00	2,000.00
	<b>Issued, subscribed and fully paid Equity shares</b>		
	<b>6,00,00,000 equity shares of Rs. 10/- each</b>	6,000.00	6,000.00
		<b>6,000.00</b>	<b>6,000.00</b>
	<b>Reconciliation of share Capital:</b>		
	Opening Equity Shares	6,000.00	6,000.00
	Add: -No. of Shares, Share Capital issued/ subscribed during the year	-	-
	<b>Closing balance</b>	<b>6,000.00</b>	<b>6,000.00</b>
	<b>Shares in the company held by shareholder holding more than 5 percent</b>		
	<b>Name of the Shareholder</b>		
	- President of India (90% shareholding)	54,000,000	54,000,000
	- Others	-	-
	Shares held by promoters at the end of the year	% Change during the year	
<b>S. No</b>	<b>Promoter name</b>	<b>No. of Shares**</b>	<b>%of total shares**</b>
1	President of India	54,000,000	90%
Total		54,000,000	-
<b>19</b>	<b>Other Equity</b>		
	<b>General Reserve</b>		
	Balance as per last financial statements	6,553.10	6,553.98
	Less: Opening balance transferred to CO	-	0.87
	Add: Transfer to General Reserve on account of revaluation of Fixed Asset.	-	-
	Add: Amount Transferred from surplus Balance in the statement of Profit & Loss	-	-
	<b>Closing Balance</b>	<b>6,553.10</b>	<b>6,553.11</b>
	<b>Capital Reserve</b>		
	Balance as per last financial statements	250.00	250.00
	<b>Closing Balance</b>	<b>250.00</b>	<b>250.00</b>

	<b>Retained Earnings</b>		
	Balance as per last financial statements	(569,690.59)	(564,998.48)
	Add /Less : Opening balance transferred to CO	-	-
	Add: Profit for the year	(8,125.67)	(4,692.10)
	Prior Period Adjustment	-	-
	<b>Closing Balance</b>	<b>(577,816.26)</b>	<b>(569,690.58)</b>
	<b>Revaluation Reserves</b>		
	Balance as per last financial statements	88,460.18	88,460.18
	Add: Transfer to General Reserve on account of revaluation of Fixed Asset.	-	-
	Add: other adjustments	-	-
	<b>Closing Balance</b>	<b>88,460.18</b>	<b>88,460.18</b>
	<b>Other Reserves</b>		
	Balance as per last financial statements	1,084.80	1,084.80
	<b>Closing Balance</b>	<b>1,084.80</b>	<b>1,084.80</b>
	<b>Total</b>	<b>(481,467.85)</b>	<b>(473,342.17)</b>
<b>20</b>	<b>Borrowings</b>		
	<b>Non Current</b>		
	Working Capital Loans:		
	a. From banks	-	-
	- Cash Credit	-	-
	- Packing Credit Pre Shipment	-	-
	<b>TOTAL</b>	<b>-</b>	<b>-</b>
	<b>Current</b>		
	I. Term Loans:		
	II. Working Capital Loans:		
	a. From banks		
	- Cash Credit	194,002.32	194,002.32
	- Packing Credit Pre Shipment	4,684.62	4,684.72
	<b>Total</b>	<b>198,686.94</b>	<b>198,687.04</b>

#### Notes of Holding Company:-

- (i) Bank borrowings are secured against current assets of the Company on pari- passu basis.
- (ii) In view of the default by the company in paying due interest amount to the banks, STC was declared NPA in 2018. The lender banks have initiated DRT proceedings against the company, which is likely to be withdrawn soon. The Memorandum of the OTS (MOTS) proposal with the lender banks is at the final stages and is in line with the minutes of the high level meeting held on 29.08.19 and the further clarificatory letter dated 13.10.2020 of ministry. The liability towards bank is proposed to be settled by way of transfer of title of identified immovable property worth Rs. 300 crore on "basis where is basis" as a full and final settlement.  
STC is in receipt of letter dated 22.04.2022 from the lead banker Canara Bank wherein, the bank has given two options with regard to MOTS i.e.:  
Option 1 : STC to execute equitable mortgage in favour of Canara Bank enabling it to legally proceed for sale of properties mentioned in the settlement agreement with the permission/authority to sell and realize the sale amount.  
Option 2 : Canara Bank to proceed before DRT to execute a consent decree for the accepted OTS amount of Rs. 30,000 lacs in the joint suit pending before DRT-II.-  
Opinion of ASG, on above matter is awaited.



Name of Banks	Amount defaulted (principal & intt. thereon)	Date of default
Syndicate Bank	280.71	31.03.2018
Indian Overseas Bank	188.02	31.03.2018
Union Bank of India	140.72	28.02.2018
Indian Bank	94.81	28.02.2018
EXIM Bank	74.43	01.10.2016
Bank of Baroda	26.27	20.06.2018
UBI (Kumily)	1.28	28.02.2018
<b>Balance as on 31.03.2022*</b>	<b>806.23</b>	

#### Notes of Subsidiary Company

Cash Credit		
- Axis Bank	11,802.13	11,802.13
- Canara Bank	16,198.58	16,198.58
- IDBI Bank Ltd.	19,545.20	19,545.20
- State Bank of India	19,775.13	19,775.13
- UCO Bank	7,203.31	7,203.31
- Union Bank of India	14,336.63	14,336.63
- Vijaya Bank	23,020.57	23,020.57
- Yes Bank	1,497.53	1,497.53
	113,379.08	113,379.08
Less: Assets Taken Over	-	-
	113,379.08	113,379.08
- Packing Credit Pre Shipment	-	-
- Vijaya Bank	969.90	969.90
- UCO Bank	3,714.72	3,714.72
	4,684.62	4,684.62
<b>Total</b>	<b>118,063.70</b>	<b>118,063.70</b>

The total liabilities to banks along with interest amounting to Rs,45,63,55,42,365/-is payable to consortium of seven banks and UCO Bank in respect of devolved LCS/Packing credits since 2008-09.No confirmation was received from the banks.The company has calculated the interest based on the interest rates disclosed in their DRT application filed by Uco bank and consortium of banks. Cash credit/Short term loan is as per the claim in the DRT(Debt Recovery Tribunal) application filed by consortium of seven banks and UCO bank on 20.07.2011.The above loan has been classified as NPA by consortium banks and UCO bank. The company has created pari passu charge on the current assets in favor of the banks and also had surrendered the documents of immovable properties situated at Chindwara (3.239 hectares).Byadgi(5 acres) Siddapura(2.20 acres) and madikeri (0.50 acres) in favor of the Bankers. The consortium of banks and UCO Bank have filed cases separately against the company with the Debt Recovery Tribunal. Wherein with regard to UCO bank recovery case.DRT has passed an order dtd.29.09.2015 for recovery of Rs.1,48,18,29,854.77/-However the company has challenged DRT order at DRAT.Chennai.The bankers have also issued notice u/s 13(2) of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act.2002.Further based on the above, the bankers have issued two Possession Notice one dt 26.10.2011 on the Factory Land and Building located at Byadgi and another dt. 17.11.2011 on Factory Land and Building located at Chindwara, Madhya Pradesh.

The Consortium of Lenders had taken over the symbolic possession of the assets of the company during the year 2011-12 and initiated legal proceedings against the company for recovery of dues.Subsequently during the FY 2019-20,consortium of the bankers had taken over the physical possession of the assets and initiated the proceedings of auction under the provisions of SARFAESI ACT, 2002. The properties of the company were sold through auction process as per the provisions of SARFAESI ACT.

The actual proceeds from the sale of asset was not made available by bankers during the FY 2019-20, hence the book value of assets amounting to Rs. 2,54,07,589 were reduced to zero and the same was reduced from the loan from the banks.

The actual proceeds from the sale of asset and the appropriation among the consortium of banks was made available through the letter and statment dated 7-7-2020(herinafter referred as 'the letter').Lenders have recieved Rs.4,61,92,357 from the sale proceeds and the same has been appropriated among the consortium of banks as mentioned in the said letter.Company has also recieved Rs.3,36,739 as TDS which

is confirmed in the letter received from the bank and it is also reflecting in the 26AS.

The difference between the book value and the net sale proceeds amounting to Rs. 2,11,21,136 has been offered to tax as capital gain. As per the provisions of Income Tax Act, Rs. 133436 is the Short Term Capital Gain on Sale of Plant and Machinery and Rs. 3,15,69,303 is the long term Capital gain on Sale of Land and Building. Company has made provision for Income tax for Rs. 19,91,686 after giving the effect of current year business loss and accumulated unabsorbed depreciation.

Rs. 2,07,84,757 has been reduced from the borrowings in the FY 2020-21 and borrowings from the bank for each bank in the consortium of lenders has been restated as per the letter dated 7-7-2020. Company has not received the balance confirmation from the bank, but however as the possession notice was issued under section 13 of SARFAESI Act, As per the procedure laid down in section 13(7) of SARFAESI Act, the borrowings has been reduced as per the appropriation made by the banker as per the said letter.

Refer detailed calculation under note no 34

21	Trade Payable		
	Particulars	As at March 31, 2022	As at March 31, 2021
	<b>Non Current</b>		
	a) Bill Acceptances	-	-
	b) Trade Payables	-	96,864.62
	<b>Total (A)</b>	<b>-</b>	<b>96,864.62</b>
	<b>Current</b>		
	a) Trade Payables	112,071.99	15,339.86
	<b>Total (B)</b>	<b>112,071.99</b>	<b>15,339.86</b>
	<b>Total (A+B)*</b>	<b>112,071.99</b>	<b>112,204.48</b>

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	-	-	487.32	106,017.53	106,504.86
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	5,567.12	5,567.12

#### Notes of Holding Company:-

\* Above includes Trade payable paid only on realization from the outstanding receivables due to back to back payment arrangement.

22	Other Financial Liabilities		
	<b>Non Current</b>		
	a. Advance from customer	-	0.80
	b. Customers at Credit	-	446.44
	c. Other liabilities		
	- Outstanding liabilities for goods & services received	-	242.13
	- Deposits	-	976.81
	- Security Deposits from:		
	: Others	-	28.42
	Less : Security Deposit Payable Adjustment	-	-
	- Earnest money deposits	-	241.07
	d. Employees' dues:		
	- Pay & Allowances	-	-
	- Earned leaves	-	774.43
	e. Lease Liability	-	-
	<b>Total</b>	<b>-</b>	<b>2,710.10</b>

<b>Current</b>		
a. Advance from customers	3,255.71	6,406.16
b. Customers at Credit	6,498.76	6,025.94
d. Interest accrued and due on borrowings	337,829.52	337,829.52
- Outstanding liabilities for goods & services received	22,846.39	14,110.97
- Deposits	4,072.32	3,066.44
- Security Deposits from:		
: Others	319.60	384.67
- Security Deposits (Fair Value Adjustment)	-	(0.30)
- Earnest money deposits	638.38	544.05
e. Employees' dues:		
- Pay & Allowances	380.48	2,406.84
- Other expense	815.35	16.58
- Dues to employees on accrual basis	11.64	829.21
- Earned leaves	910.62	194.11
- STC's employees union	0.28	0.27
- STC's Officers' Association	0.94	0.16
- STC's SC/ST Employees Welfare Association	0.07	0.07
- Salary Saving scheme	0.51	1.06
- Thrift Society	-	3.42
- Undisbursed Salary	0.91	17.38
- Others (Recreational Club)	-	(0.01)
f. Premium payable on Forward Contract	-	-
g. Book Overdraft/Stale Cheques	-	-
f. Custom duty payable	343.27	343.27
g. ASIDE Grant Payable	109.18	109.18
<b>Total</b>	<b>378,033.93</b>	<b>372,288.99</b>

\*\* Includes advances of Rs. 11.05 Crore from Andhra Pradesh Police, Forest Department and State Disaster Response for supply of weapon and equipment.

#### Notes of Subsidiary Company

The Grant-in-Aid includes Rs.6,29,00,000/- received as 'Grant' from Government of India under ASIDE Scheme towards establishment of Steam Sterilization unit and Grinding & Packing Unit at Spice Park, Chhindwara. The Company has availed a concessional customs duty of 3% under EPCG Scheme there by saving Rs. 1,21,51,050/- while importing the steam sterilization machineries under export obligation to eight times of the value of duty saved within eight years and if the Company failed to meet the export obligation it is liable to pay custom duty along with interest at the rate of 15% P.A. In this regard the Company has furnished a EPCG bond of Rs. 3,76,68,000/- to customs authorities. The concessional customs duty availed under EPCG Scheme of Rs.1,21,51,050/- and interest payable thereon Rs.2,03,53,011/- total of Rs.3,43,26,719/- shown under other liabilities. No Communication from the custom department pertaining to the above export obligation is received, Opinion will be taken from Customs expert regarding treatment to be given and further course of action will be taken by the Company.

Interest Payable on Devolved LC and Packing Credit liabilities accrued and due [since 2009-10]		
Particulars		
- Axis Bank	19,815.10	19,815.10
- Canara Bank	62,567.23	62,567.23
- IDBI Bank Ltd.	46,144.01	46,144.01
- State Bank of India	51,733.77	51,733.77
- UCO Bank	37,243.05	37,243.05
- Union Bank of India	52,519.92	52,519.92
- Vijaya Bank	64,653.16	64,653.16
- Yes Bank	3,153.28	3,153.28
	337,829.52	337,829.52

The company has not recognised the interest payable on the above loans from the Financial year 2018-19. The matter is pending before DRT and company is contesting the claims of the various bankers. The consortium of bankers has taken over the physical possession of the assets during the year with claim of 1529.05 Crores with further interest, expenses and charges etc as per the demand notice issued under SARFAESI Act, 2002. From the year 2018-19, company has not provided interest on the above in books, since company is contesting the claims. However the same is disclosed in contingent liability.

An amount of Rs.50,00,000/- [less Rs.50,000/- Service Charges of VITC(Visvesvaraya Industrial Trade Centre) - Net Rs.49,50,000/-] received in the year 2009-10 as funding under ASIDE Scheme from Visvesvaraya Industrial Trade Centre, Bangalore and the same has been accounted as Grants towards Pepper Processing Unit at Siddapura. However due to financial constraints the project was put on hold and the W-I-P of Rs.26,46,295/- was written off towards Impairment as on 31.03.12. As per the terms of the grant, if the project is not completed, the grant has to be refunded along with interest @ 10%. Accordingly, the grant received along with interest of Rs.1,09,17,808/- has been shown under Current Liabilities as ASIDE Grant Repayable -Siddapura.

Rs. 76,30,039/- are EMD maintained by business associates for undertaking domestic trading since litigation are pending before the court. These entries are carried forward in the Books of Accounts from 2007-08. Approval will be taken from Competent Authority to write off EMD amount where there is no litigation pending before any forum.

### 23 Provisions

	Particulars	As at March 31, 2022	As at March 31, 2021
	<b>Non Current</b>		
	<b>Provisions for Employee Benefits</b>		
	Encashment of Half pay leave	-	343.05
	Post Retirement medical benefits	-	10,549.10
	<b>Total</b>	<b>-</b>	<b>10,892.15</b>
	<b>Current</b>		
	<b>A. Provisions for Employee Benefits</b>		
	Encashment of Half pay leave	418.41	73.20
	Post Retirement medical benefits	11,377.80	912.17
	Gratuity	-	45.28
	Performance Related Pay	0.67	0.67
	Others	-	-
	<b>Sub Total (A)</b>	<b>11,796.88</b>	<b>1,031.32</b>
	<b>B. Other Provisions</b>		
	Contingencies	4,548.27	4,462.58
	Exchange Difference on Forward Contract		
	Others (specify nature)	11.12	11.12
	<b>Sub Total (B)</b>	<b>4,559.39</b>	<b>4,473.70</b>
	<b>Total(A+B)</b>	<b>16,356.27</b>	<b>5,505.02</b>
	<b>24 Other Liabilities (Non-Financial)</b>		
	<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
	<b>Non Current</b>		
	a. Advance from customers	-	-
	b. Customers at Credit*	-	604.13
	c. Other liabilities		
	- Outstanding liabilities for goods & services received	-	-
	- Deferred Fair Valuation gain-Deposit Payable	-	-
	d. Grant in Aid under ASIDE scheme	-	-
	<b>Total</b>	<b>-</b>	<b>604.13</b>

<b>Current</b>		
a. Advance from customers**	-	-
b. Customers at Credit	605.69	-
b. Other liabilities		
- Outstanding liabilities for goods & services received	10.58	18.36
- Deposits	46.57	46.57
- Security Deposits (Deferred fair value gain)	-	0.30
c. Remittances:		
- Professional Tax	1.53	1.64
- Sales Tax/ Value added Tax	2.51	2.50
- Service Tax	-	-
- Income Tax deducted at source	37.58	144.39
- Goods & Service Tax (GST)	164.82	155.09
- Contribution to Provident Fund	41.25	45.22
- Contribution to Employees Pension Scheme - 95	2.02	-
- Contribution to Employees Pension Fund	15.04	16.27
- Others	0.10	8.79
d. Grant in Aid	110.09	110.09
<b>Total</b>	<b>1,037.78</b>	<b>549.22</b>

**Notes of Holding Company:-**

\*\* Advances of various departments for import /domestic supply of items pertains to General Import.

**Notes of Subsidiary Company**

Grant received from VITC ( Visvesvaraiya Industrial Trade Centre) under ASIDE Scheme amounting Rs.1,20,00,000/- received for Export Promotion during the year 2006-07 towards Chilly Processing Centre-Byadgi. However during the the Financial year no grants has been amortised since the possession of such assets for such grant availed has been taken over by the consortium of Banks.As there is no clarity in the ASIDE Scheme as to the procedure that has to be followed when the asset that is procured from the grant is taken over by the bank under the SARFAESI Act, the company is carrying the same as Current liability

Against the Grant in Aid received amounting to Rs, 6,29,00,000/- during the year 2008-09, for Steam Strealisation plant, the company has amortised depreciation on assets for which grants were received at WDV method and has reduced the same from the grants.However during the the Financial year no grants has been amortised since the possession of such assets for such grant availed has been taken over by the consortium of Banks.As there is no clarity in the ASIDE Scheme as to the procedure that has to be followed when the asset that is procured from the grant is taken over by the bank under the SARFAESI Act, the company is carrying the same as Current liability

**THE STATE TRADING CORPORATION OF INDIA LTD.**  
**Consolidated Notes to accounts for the year ended March 31, 2022**

(Rs. Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>25 Revenue From Operations</b>		
<b>(a) Sales</b>		
Export	-	-
Imported Goods	-	1,213.23
Domestic	-	23,450.97
<b>Sub total(A)</b>	<b>-</b>	<b>24,664.20</b>
<b>(b) Other operating revenue</b>		
Claims:	-	-
From Others	-	0.03
Other Trade Income:		
Freight Subsidy	-	-
Others	-	316.94
<b>Sub total(B)</b>	<b>-</b>	<b>316.97</b>
<b>Total</b>	<b>-</b>	<b>24,981.17</b>
<b>26 Other Income</b>		
<b>(a) Interest income:-</b>		
Advance to Employees	11.89	30.13
Deposits pledged / under Lien as margin money	12.02	104.15
Other bank Deposits	58.29	151.30
Interest on Investments	519.31	657.31
Income Tax Refunds	388.61	40.03
<b>Sub Total</b>	<b>990.12</b>	<b>982.92</b>
<b>(b) Miscellaneous income:-</b>		
Dividend income-others (gross)	-	-
Security Deposits forfeited	0.03	-
Rent received from Employees	8.10	7.73
Other Receipts	0.14	0.66
<b>Sub Total</b>	<b>8.27</b>	<b>8.39</b>
<b>(c) Rental income:-</b>		
Rent Received from let-out property	6,654.28	4,724.70
Recoveries for common services from tenants	765.83	618.51
<b>Sub Total</b>	<b>7,420.11</b>	<b>5,343.21</b>
Less: Expenses related to let out property		
Property tax/Municipal tax	683.38	694.62
Ground Rent	33.26	34.11
Electricity & Water charges	-	-
Rates and Taxes	-	-
Insurance Premium	10.90	9.93
Maintenance Charges	117.49	88.53
Administrative Expenses	82.42	59.71
<b>Sub Total</b>	<b>927.45</b>	<b>886.90</b>
<b>Net rental income (c)</b>	<b>6,492.66</b>	<b>4,456.31</b>
<b>(d) Other Receipts:-</b>		
Difference in exchange other than commodity items	(30.32)	79.65
Bad Debts Recovery	800.00	-
Misc. non Trade receipts	286.07	210.04
Amortisation income of Deferred employee advances	-	18.68
Amortisation income of Deferred Security deposit	-	4.71
<b>Sub Total</b>	<b>1,055.75</b>	<b>313.08</b>
<b>Total</b>	<b>8,546.80</b>	<b>5,760.70</b>

<b>27</b>	<b>Cost of Materials consumed</b>		
	Opening balance of material	-	-
	Add: Purchases made during the Year	-	-
	Less: Closing balance of material	-	-
	<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>28</b>	<b>Purchase of Stock-in-Trade</b>		
	Export Purchase	-	-
	Import Purchase	-	1,166.77
	Domestic Purchase	-	23,244.26
	Exchange fluctuation -loss	-	4.60
	Import Payables)	-	0.68
	- On STC's Account	-	-
	Export (Receivable)	-	3.92
	Insurance - General	-	59.89
	<b>Total</b>	<b>-</b>	<b>24,475.52</b>
<b>29</b>	<b>Changes in Inventory</b>		
	<b>Stock-In-Trade</b>		
	At the beginning of Year	-	10.44
	Less : At the end of Year	-	-
	<b>Changes in Inventory</b>	<b>-</b>	<b>10.44</b>
<b>30</b>	<b>Employees' Benefit Expenses</b>		
	<b>(a) Remuneration to Staff &amp; Managers</b>		
	Salaries and Allowances	2,536.49	3,388.23
	Encashment of Earned Leave	144.64	129.19
	Encashment of Half Pay Leave	32.97	(335.58)
	Residential Rent	-	-
	Provident fund	175.39	283.89
	Employees pension scheme 95 (EPS 95)	23.92	31.32
	Welfare Expenses:		
	- Medical Expenses on regular employees (OPD)	27.11	38.71
	- Medical Expenses on regular employees (IPD)	92.02	163.39
	- Medical Expenses on retired employees (OPD)	-	345.37
	- Medical Expenses on retired employees (IPD)	219.00	122.93
	- Medical Expenses on Actuarial liability	588.26	327.78
	- Long Service Award including at the time of Retirement	0.24	-
	- Others	22.94	18.48
	Gratuity	73.61	69.79
	Pension	140.74	229.54
	Amortisation expenses of Deferred employee cost	-	3,326.50
	Voluntary retirement benefit* (VRS)	-	0.49
	Amortisation expense	-	4.80
	Overtime allowance to staff		
	<b>Sub Total</b>	<b>4,077.33</b>	<b>8,144.83</b>
	<b>(b) Remuneration to Directors</b>		
	Salaries and Allowances	77.14	85.13
	Encashment of Earned Leave	-	22.05
	Encashment of Half Pay Leave	-	(23.36)
	Provident fund	6.38	7.20
	Employees pension scheme 95 (EPS 95)	-	0.16
	Welfare Expenses:		
	- Medical Expenses on regular employees (OPD)	0.40	0.38
	- Medical Expenses on Actuarial liability	-	2.04
	Gratuity	-	2.55
	Pension	2.97	5.52
	<b>Sub Total</b>	<b>86.89</b>	<b>101.67</b>
	<b>TOTAL</b>	<b>4,164.22</b>	<b>8,246.50</b>

<b>31</b>	<b>Finance Cost</b>		
	Bank Loan :		
	- Working capital Demand Loan(WCDL)	-	-
	- Cash Credit	-	-
	- Export packing credit/PCFC	-	-
	- BAS/External Commercial borrowing	-	-
	Business associates :	-	-
	- Deposits pledged / under Lien as margin money	-	-
	- Other Deposits	-	-
	Income Tax	0.02	0.01
	TDS/TCS	-	-
	VAT	0.35	-
	Others	193.72	193.35
	<b>TOTAL</b>	<b>194.09</b>	<b>193.36</b>
<b>32</b>	<b>Depreciation And Amortization Expenses</b>		
	<b><u>Depreciation on Property Plant &amp; Equipment (PPE)</u></b>		
	Freehold Building	-	535.43
	Plant & Machinery	-	85.09
	Furniture & Fixtures	-	10.18
	Motor Vehicle	-	12.02
	Office Equipment	-	4.07
	Computers, data processing units & communication equipment	-	1.49
	Electrical Installations & Equipment	-	35.82
	Leasehold Land	-	9.46
	Leasehold Building	-	323.13
	Roads, culverts & sewerage etc (Leasehold)	-	1.84
	Plant & Machinery (Leasehold)	-	36.26
	Others	-	41.30
	<b>Sub Total</b>	<b>-</b>	<b>1,096.09</b>
	<b><u>Depreciation on investment property :</u></b>		
	Freehold Building	-	8.22
	Leasehold Land	-	56.74
	Leasehold Building	-	427.39
	<b>Sub Total</b>	<b>-</b>	<b>492.35</b>
	<b><u>Amortisation on intangible Assets</u></b>		
	Computer software	-	0.16
	Others	-	-
	<b>Sub Total</b>	<b>-</b>	<b>0.16</b>
	<b>TOTAL</b>	<b>-</b>	<b>1,588.60</b>
<b>33</b>	<b>Other Expenses</b>		
	<b>(a) Other Operating Expenses</b>		
	L/C Negotiation & Bank Charges	-	-
	Godown, Plot, Tank Rent	-	-
	Claims Paid	-	0.03
	Cost of Tender	-	10.56
	Delievery Charges	-	-
	Others	-	-
	<b>Sub total</b>	<b>-</b>	<b>10.59</b>



<b>(b) Administration expenses</b>		
Office Rent	11.03	7.84
Rates and Taxes:		
- Property Tax to Municipal Corporation	120.00	503.02
- Others	0.66	1.14
Electricity and Water Charges	99.77	173.29
Printing and Stationery	11.99	11.55
Postage, Telegram, Teleprinter & Telex	1.49	5.00
Telephones	14.95	29.11
Books and Yearicals	0.07	0.06
Repairs		
- Others	2.82	1.84
Travelling Expenses	9.22	9.74
Housing Colony Expenses	35.38	125.88
Service Vehicle Expenses	12.61	18.37
Insurance Premium	22.21	28.23
Auditors' Remuneration	-	-
- Statutory Audit Fees	9.14	13.16
- Tax Audit Fees	4.00	5.39
- Certification fees	3.00	3.00
Information Technology Expenses	39.57	15.95
Conveyance Expenses	1.10	0.85
Maintenance of Office Building	369.16	83.15
Misc. Office expenses	45.23	180.07
<b>Sub total</b>	<b>813.40</b>	<b>1,216.64</b>
<b>(c) Trade Expenses</b>		
Legal & Professional Expenses	256.43	231.00
Advertisement & Publicity	7.79	11.64
Exchange Fluctuations other than commodity items	50.19	9.95
Bank Charges	6.37	2.28
Entertainment expenses	5.26	4.71
Other Trade Expenses	102.94	5.43
<b>Sub total</b>	<b>428.98</b>	<b>265.01</b>
<b>(d) Amortization Expenses</b>		
Amortisation expenses of Deferred employee advances	-	17.52
Amortisation expenses of Deferred Security deposit	-	5.20
<b>TOTAL</b>	<b>1,242.38</b>	<b>1,514.96</b>
<b>34</b>	<b>Exceptional items</b>	
<b>(a) Expenses</b>		
Loss on sale of Property, Plant & Equipment (PPE)	0.04	1.10
Litigation settlement*	-	-
Provision for expenses	8,540.61	23.23
<b>Total (a)</b>	<b>8,540.65</b>	<b>24.33</b>
<b>(b) Write Offs</b>		
Trade Receivables**	-	-
Claims	5,930.42	-
Loans and Advances	-	-
Deposits	-	3.50
Assets	-	4.87
<b>Total (b)</b>	<b>5,930.42</b>	<b>8.37</b>
<b>(c) Provision for Doubtful debts, Loans and advances &amp; Investment</b>		
Trade Receivables	-	-
Claims	2.10	-
Loans and Advances	-	-
Deposits	-	-
<b>Total (c)</b>	<b>2.10</b>	<b>-</b>
<b>(d) Income</b>		
Profit on Sale of PPE	0.10	222.60
Liabilities Created in previous years written back:	-	-
- Statutory	-	-
- Others	27.12	43.84

Provision Written back for doubtful amounts realized:	-	-
-Trade Receivables	-	-
-Claims	0.60	-
Provision Written back for doubtful amounts written off:	-	-
-Trade Receivables	-	-
-Claims	7,355.42	1.29
-Loans and Advances	-	-
-Deposits	-	3.50
Write back of unclaimed credit balances	-	23.95
<b>Total (d)</b>	<b>7,383.24</b>	<b>295.18</b>
<b>Total (a+b+c-d)</b>	<b>7,089.93</b>	<b>(262.48)</b>
*For details refer note no. 39 (iii)		

<b>35 Tax Expense</b>		
<b>A. Tax recognised in Statement of profit and loss</b>		
<b>Current income tax</b>		
Current year	4.11	19.63
Adjustments for prior years	(2,763.77)	-
<b>Sub Total (A)</b>	<b>(2,759.66)</b>	<b>19.63</b>
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	7,300.72	-
Changes in tax rate	-	-
Change in accounting policy	-	-
<b>Sub Total (B)</b>	<b>7,300.72</b>	<b>-</b>
<b>Total (A+B)</b>	<b>4,541.06</b>	<b>19.63</b>

**Tax recognised in other comprehensive income**

<b>Particulars</b>	-	-
Defined benefit plan actuarial gains (losses)		
<b>Total</b>	-	-

<b>Reconciliation of effective tax rates</b>		
Profit before tax	(4,859.73)	
Tax using the company's domestic tax rate @ 31.20%	-	-
Prior year ended income adjustments	-	-
Tax Effect of :	-	-
Permanent Differences	-	-
Unrecognised deferred tax assets/(Liabilities)	-	-
<b>Tax Expenses for the year</b>	-	-

Since the tax expense for the year is Rs. NIL hence no provision for Tax on other comprehensive income is considered necessary.

<b>B. Tax Losses Carried forward</b>		
<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>Balance year ended</b>
Unused Tax Losses for which no deferred Tax Assets have been recognized :		
Business Loss carried forward for F.Y. 2012-13	7.04	2 Years
Business Loss carried forward for F.Y. 2013-14	17.84	3 Years
Business Loss carried forward for F.Y. 2014-15	84.28	4 Years
Business Loss carried forward for F.Y. 2015-16	109.89	5 Years
Business Loss carried forward for F.Y. 2016-17	112.72	6 Years
Business Loss carried forward for F.Y. 2017-18	98.04	7 Years
Unabsorbed Depreciation	27.61	No Limit
<b>Total</b>	<b>457.42</b>	

**THE STATE TRADING CORPORATION OF INDIA LTD.**  
**Consolidated Notes to Accounts for the year ended March 31st, 2022**

**36 Foreign Currency Exposure**

(In Lacs)

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	Foreign Currency Denomination	Amount in Foreign Currency	Amount in indian Rupees	Foreign Currency Denomination	Amount in Foreign Currency	Amount in indian Rupees
<b>A. Receivable :</b>						
IGEDC IRAN	EURO	11.58	990.52	EURO	11.58	990.52
Mumbai branch	USD	1,521.57	74,556.73	USD	1,521.57	74,556.73
Various Parties	USD	1,627.78	66,582.91	USD	1,627.78	66,563.04
Various Parties	EURO	9.32	489.15	Euro	9.32	489.15
CAMAG		-	-	-	-	-
<b>SubTotal (A)</b>		<b>-</b>	<b>142,619.31</b>	<b>-</b>	<b>-</b>	<b>142,599.44</b>
<b>B. Payable :</b>						
Various Parties	USD	41.49	1,665.41	USD	41.49	1,665.41
Various Parties		-	-	Euro	0.06	2.00
M/S Rosanblatt, London	Pound	0.04	4.25	Pound	0.04	4.32
<b>SubTotal (B)</b>			<b>1,669.66</b>			<b>1,669.73</b>

**37 Trade Payables**

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as under :

Particulars	2021-22	2020-21
Principal amount due to suppliers under MSMED Act, 2006	-	-
Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during year	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest accrued and remaining unpaid at the end of each of the year to suppliers under MSMED Act	-	-

**Note :** The information has been given in respect of such vendors to the extent they could be identified as micro, small and Medium enterprises on the basis of information available with the Company.

**38 Disclosure in respect of Indian Accounting Standard (Ind AS)-37 "Provisions, Contingent Liabilities and Contingent Assets"**

**(i) Provisions**

(Rs. Lacs)

Particulars	Opening balance as on 01.04.2021	Additions/ Transfers during the year	Written-back during the year	Closing balance as on 31.03.2022
Contingencies	4,473.62	85.77	-	4,559.39
Doubtful Trade Receivables	62,729.63	-	-	62,727.63
Doubtful Loans	9,248.37	-	-	9,147.45
Doubtful Claims	10,720.84	-	-	3,366.94
Doubtful Deposits	625.21	-	-	715.23
<b>Total</b>	<b>87,797.67</b>	<b>85.77</b>	<b>-</b>	<b>80,516.64</b>

**(ii) Contingent Liabilities:****(Rs. Lacs)**

Particulars	31.03.2022	31.03.2021
Claims against the company not acknowledged as debt		
(i) Court & Arbitration cases with parties	176,647.69	162,027.28
(ii) Sales Tax/Service Tax/VAT	49,157.35	49,159.33
(iii) Income Tax	900.89	1,196.16
(iv) Custom Duty	692.55	692.55
(v) Others	426,232.15	308,954.32
<b>Total</b>	<b>653,630.63</b>	<b>522,029.64</b>

**Notes of Holding Company:-**

- 38.1 \*M/s Tanzania Commodities Pvt. Ltd. raised a claim of Rs. 2,446 lacs towards short supply of sugar through the associate M/s Mehak Overseas. The case is pending before the Bombay High Court. Refer note no. 38 (3) for details of M/s Mehak Overseas.
- 38.2 \* M/s Mediterranean Shipping raised a claim of Rs. 729 Lacs towards non-payment of Demurrage and storage charges by M/s Mehak Overseas in two separate cases. The cases are pending before the Bombay High Court.
- 38.3 \*\* Demand of Rs. 13,283 lacs was raised by L&DO vide its letter no. L&DDO/LS2A/9225/133 dated 26th March 2018 from 2004-05 onwards for non-compliance of various conditions of the Lease Deed (including non-deposits of 25% of the gross rent received by STC from its tenants). However, the company has disputed the demand and the matter is yet to be resolved. On the observation of CAG audit, the firm liability of Rs. 8,540 lacs has been created in the book of accounts for the F.Y. 2021-22. Further STC vide letter dtd 20.05.2022 requested L&DO to provide Outstanding dues as on date and the reply is still awaited.
- 38.4 \*Provision as on 31.03.2022 includes Rs. 1124 Lacs (after considering EMD Rs. 199 Lacs available with STC) in respect of contract entered into by the company for import of goods from foreign supplier M/s Synergic Industrial Marketing Services (SIMS), Singapore/ Malaysia, on behalf of the Indian buyer M/s Millennium Wires Pvt. Ltd. The documents tendered by the foreign supplier were forged and fabricated. Hence, STC approached its banker Allahabad Bank, (now merged with Indian Bank) not to release the payment to Foreign Bank against these LCs. Foreign Bank of supplier has approached Delhi High Court for release of payment against LCs. As per court order, Indian Bank has deposited decretal amount with court. As a result of this, Indian bank debited the account of STC, now Delhi High Court has passed its Judgment in the matter between Indian Bank & the Malayan Bank, upholding the decision of single bench against Indian Bank to pay the decreed amount (Rs 10,79,59, and 518.02 along with pendent lite & future simple interest till realization @ 9% p.a.) to Malayan Bank. Subsequent to the Hon'ble Delhi High Court Judgment dated 25.11.2019, STC received a Claim Letter dated 16.01.2020 from Indian Bank for an amount of Rs 16,21,60,914 along with future interest @ 9.65% p.a.w.m.r. towards all 4 LCs (1 LC was not accepted by STC). Further, STC has also referred the matter to different forums. STC has made a provision of Rs. 1,124 Lacs (net of EMD Rs.199 Lacs available with STC) in respect of three LCs documents accepted by STC. Since STC has refuted the demand raised by Indian Bank, hence the balance amount of Rs. 393 Lacs has been shown as Contingent liability.

Further, Lender institutions of the Indian buyer (M/s Millennium Wires Pvt. Ltd) have initiated NCLT proceedings. STC had also filed its claim for an amount of Rs 1,491 Lacs in compliance with Orders of the NCLT, Chandigarh Bench before the liquidator to the same extent of amount claimed by bank from STC at the date of filing claim before liquidator, However, The Liquidator has vide email dated 26.05.2020 rejected STC's claim of amount Rs 1,491 Lacs. STC is in the process to appeal against the decision of the Liquidator before NCLT, Chandigarh.

Further, Indian Bank has now filed before Debt Recovery Tribunal 2 (DRT 2), New Delhi claiming an amount of Rs. 1,740 Lacs approx.. STC has denied and contested this claim. The matter is presently at the stage of evidence. STC had file a complaint with CBI, New Delhi and an FIR NO. : RC 2192022E0001 dated 08.02.2022 has been registered by CBI, New Delhi and investigation is underway in the matter.

**Notes of Subsidiary Company**

- 38.5 Rs.12,68,01,603 [excluding interest] is due from M/s. Devi Mineral Resources [I] Pvt. Ltd., is a group company of Devi Trading and STCL has initiated various legal steps for recovery of dues. In order to counter the legitimate claim of STCL, Devi Trading has raised the counter claim of USD 3123960/- against STCL with ulterior motive which is false and baseless. However the company has disclosed sum of USD 3123960/- as contingent liability. However the Arbitration proceedings initiated by the DTCL, has been dismissed for non prosecution and non filing of claims.

- 38.6 STCL was defrauded by M/s. Future Exim (India) Pvt. Ltd. & M/s.Future Metals Pvt. Ltd., in the third country merchanting trade and STCL had initiated legal steps for recovery of dues as one of the legal recourses. STCL has also initiated arbitration against M/s.FEIPL & M/s. FMPL. Sino Asia is one of group company of M/s.FEIPL & M/s. FMPL raised a wrong claim for sum USD 209575000/- with ulterior motive to counter the legitimate claim of STCL against M/s.FEIPL & M/s. FMPL even though all the legal steps have initiated to counter the claim. However the company has disclosed sum of USD 209575000/- as contingent liability.
- 38.7 STCL had awarded the Civil construction work to M/s Carmel Builders Fibro tech India Pvt Ltd, in respect of Pepper processing unit at Siddapura in Coorg Dist. Of Karnataka in Aug 2008. The company terminated the contract in July 2009 on account of poor progress of work. The contractor has disputed the same and made a demand of Rs. 80,11,634/- towards the work done. The Arbitration was completed and awarded STCL to pay a sum Rs. 49,41,480/- to M/s Carmel Builders. STCL has challenged the Arbitral award in the court. The Balance amount of Rs. 67,26,634/- (Rs. 8,011,634 less Rs.1,285,000 shown under payable to contractor) is shown under contingent liability.
- 38.8
- 38.9 The APMC, Bangalore has filed a suit in May 2011 against the Company for recovery of Market Fee / Penalty totalling an amount of Rs.1,14,29,284/-. The transaction was carried out in the year 2001-02. The Market Fee was already paid by the Company to Food Corporation of India, Bangalore while obtaining Release / Delivery Order for 80,000 MTs of Maize through Tender Process. Accordingly the Company has filed its objections to the petition and the legal proceedings are in progress. The claims of APMC has been shown under contingent liabilities.
- 38.10 M/s.Excel Cardamom Company had filed a petition in the year 1992 on the Company in Delhi High Court against the forfeiture of EMD amount of Rs.10,00,000 by the Company in respect of cloves transactions. In the year 2007, the High Court having adjudicated the matter, passed a decree that STCL was entitled to forfeit only Rs.1,23,342/- being its share of profit and has to refund the balance amount of Rs. 8,76,857/- along with interest. Company had filed an Appeal with the Divisional Bench which stayed the execution of the said decree subject to STCL depositing a sum of Rs.6,00,000/- and BG of Rs.10,00,000/- in favour of Delhi High Court, which was complied with. The Divisional Bench has passed an order in March-2008 against the company as per which STCL has to pay Rs. 10,00,000/- to Excel Cardamom Co. along with interest of 9% p.a. from June 1989. The order also stated that BG of Rs. 10,00,000/- be encashed and along with the Deposit of Rs.6,00,000/- the balance amount Excel Cardamom can file an execution petition. The company has filed a SLP in Supreme Court against the Order of Delhi High Court. However, the company has disclosed the liability of Rs. 35,06,192/- under Contingent Liability.
- 38.11 Subsequent to filing of arbitration petition by M/s Shiva shanker Minerals Pvt. Ltd. against STCL and on completion of arbitration process and being awarded Rs. 3,37,31,514/- including legal fees of Rs. 26,55,114/- along with interest at the rate of 12% till the realisation. STCL has filed an appeal against the arbitration award which is pending before the City Civil Court, Bangalore. However the company has disclosed the total liability of Rs. 6,06,69,338/- along with interest of Rs. 2,69,37,824/- till date.
- 38.12 The Enforcement Directorate has levied penalty of Rs 10,00,00,000 for contravention of Sec.10(6) of Foreign Exchange Management Act, read with regulation 6(1) of Foreign Exchange management (realisation,repatriation and surrender of Foreign Exchange Regulation 2000. The Company has filed appeal to the appellate authority and expecting full relief from them.
- 38.13 The Company had received a Show-cause Notice from the Service Tax Department in October 2011 for non payment of Service Tax of Rs. 1,42,70,138 for the year 2006-07 to 2010-11 (excluding interest and penalty) and the Company filed an Appeal against the said Notice which was held against it as per the Order dtd.. 13.12.2012 of the Commissioner (Adjudication) and demanded a payment of Rs. 1,42,70,138 as Service Tax and imposing an equivalent amount of Rs. 1,42,70,138/- as penalty. The Company has filed an Appeal against the above Order with the Service Tax Appellate Tribunal (CESTAT) on 19.03.2013 as per the legal advice obtained. The CESTAT impugned order is set aside and the matter is remanded to the original adjudicating authority. The Company has disclosed sum of Rs. 4,22,83,637/- as contingent liability towards service tax for the period from 1.4.06 to 31.03.2014 including the penalties of Rs. 1,42,70,138/-.
- 38.14 In respect of Assessment year 2010-11, notice has been received u/s 220(2) dtd. 26.02.2016 for payment of Rs. 2,11,95,009/- as interest against the default. The company had filed an application u/s 220(2)(a) on 22.06.2016, requesting to drop the interest amount claimed. However the company has disclosed the liability of Rs. 2,11,95,009/- under Contingent Liability.

- 38.15 The Income Tax Department has sent a notice of demand to pay Rs 4,23,450 towards short payment of TDS and interest thereon. The Company has replied for rectification of demand and the company has paid Rs.154797/- was paid and treated as expenses in accounts. The balance amount has been considered in accounts.
- 38.16 The Company has made provision for payment of interest as per the claims made by the consortium of banks in the DRT application upto 20.07.2011 and further interest are provided at the rates mentioned in the DRT application. IDBI Bank claimed an amount of Rs. 62,00,23,705/- towards penal interest/liquidated damages as per the balance confirmation certificate as on 31.03.2012. However, the company has disclosed the liability of Rs. 62,00,23,705/- under contingent liability.
- 38.17 The Company has made provision for payment of interest as per the claims made by the consortium of banks in the DRT application upto 20.07.2011 and further interest are provided at the rates mentioned in the DRT application. Union Bank of India claimed an amount of Rs. 9,59,97,748/- towards excess interest as per the balance confirmation certificate as on 31.03.2015. However, the company has disclosed the liability of Rs. 9,59,97,748/- under contingent liability.
- 38.18 The Company has made provision for payment of interest as per the claims made by the consortium of banks in the DRT application upto 20.07.2011 and further interest are provided at the rates mentioned in the DRT application. State Bank of India claimed an amount of Rs. 94,23,73,090/- towards excess interest as per the balance confirmation certificate as on 31.03.2016. However, the company has disclosed the liability of Rs. 94,23,73,090/- under contingent liability.
- 38.19 The company has not provided during the year interest payable/due on the dues to various banks due to DRT pending matters and in support of company's claims. The same has been considered as contingent liability to the tune of Rs.39,73,57,33,294/-
- 38.20 The Consortium of Lenders had taken over the symbolic possession of the assets of the company during the year 2011-12 and initiated legal proceedings against the company for recovery of dues. Subsequently during the FY 2019-20 Consortium of the bankers has taken over the physical possession of the assets and initiated the proceedings of auction under the provisions of SARFESI ACT, 2002. The properties at Byadagi and chindawara was sold through auction process as per the provisions of SARFESI ACT for the net amount of Rs.4,65,28,726. During the FY 2019-20, the book value of the assets amounting to Rs.2,54,07,589 was reduced from the current liability, since the exact information with regards to sale value realised and appropriated towards the liability was not made available by the banks. During the FY 2020-21, the information from the banks regarding the exact sale proceeds was received and the difference between the book value and the net sale proceeds was offered to tax as capital gain.
- 38.21 The reduction in the due to Banks are subject to balance confirmation from consortium of banks. But however since the possession notice was received from under Section 13 of SARFESI Act, Company has reduced the borrowings from the books as per the procedure laid down in section 13(7) of the said Act.

**(iii) Litigation Settlements:**

**Notes of Holding Company**

- 38.17 M/s J.K. International (a foreign supplier) has a pending claim of Rs. 7700 Lacs (approx.) including interest due to abrogation of contract by STC for import of pulses during 2008-09. The claim was disputed by STC on the ground that contract for import of Pulses was on the direction of Ministry of Consumer Affairs and the said Ministry directed STC to abrogate any balance quantity under the said contract. However, the supplier had invoked Arbitration clause and Award of Arbitral Tribunal was in favour of the supplier. The company filed an appeal against the Tribunal award before the single bench of the Hon'ble Delhi High Court. The judgment was in favour of supplier, which STC has filed an appeal before the Double bench of the Hon'ble Delhi High Court. Meantime, M/s. J.K. International filed an SLP against STC at Hon'ble Supreme Court and under order of Hon'ble Court, STC has paid a sum of Rs. 2000 Lacs to J.K. International. The matter is still pending before the Delhi High Court and same has been disclosed as liability. The matter was last listed on 17.05.2022 but adjourned to 15.09.2022 due to paucity of time.
- 38.18 The company has appropriated an amount of Rs. 2,789 Lacs recoverable from M/s Lichen Metals Pvt. Ltd. (the party) against the deposits of its holding company viz. M/s Edelweiss Pvt. Ltd. due to this, the holding co. of party had gone for arbitration and award was in their favour for the refund of Rs. 2,789 Lacs plus interest @8% p.a. by STC excluding cost of arbitration. Against the same STC

has filed an appeal before the Hon'ble High Court. Meanwhile, as per the High Court's direction STC has deposited Rs. 3,192 Lacs with the High Court of Calcutta. The amount has been kept as a Security in the form of FD with High Court, pending appeal.

The money was withdrawn by M/s Edelweiss by submitting a Bank Guarantee of equivalent amount and a sum of Rs.277 Lacs is left which is the amount of interest accrued over a period of time. Due to prevailing situation caused by the pandemic, the case has not progressed to any decisive stage, due to non-hearing of regular matters.

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The money was withdrawn by M/s Edelweiss by submitting a Bank Guarantee of equivalent amount and a sum of Rs.277 Lacs is left which is the amount of interest accrued over a period of time. Due to prevailing situation caused by the pandemic, the case has not progressed to any decisive stage, due to non-hearing of regular matters.

- 38.19 The company has already paid a total amount of Rs. 9,205 Lacs to M/s Helm (as per Court Order dated 21.08.2019) under the Execution Petition filed by M/s Helm and with this the Execution Petition stands closed. The company has been requesting DOF for payment of the arbitral award amount as the said transaction was handled by the company on behalf and as per the instructions of DOF only. However, the payment is still awaited from DOF, which is being pursued.

**(iv) Contingent Assets:**

If it is probable that there will be inflow of the economic benefits, disclosure shall be made for contingent asset stating the brief description of the nature of the contingent asset. If possible, estimated financial effect shall also be disclosed.

Particulars	(Rs. Lacs)	
	31.03.2022	31.03.2021
Claims*	14,201.18	23,034.35
Advances*	37,497.14	34,835.28
Trade Receivables*	238,928.06	206,493.07
Others	125,468.66	119,842.74
<b>Total</b>	<b>416,095.04</b>	<b>384,205.44</b>

\*Contingent assets consist of claims (principal & interest) against those parties where either a provision has been made or has been written off. All these cases are pending at various level of court.

- (v) MoC&I vide letter dated 19.03.2020 conveyed that the subject matter has been re-examined in the Ministry in consultation with DPE and it has been decided that the recovery of the entire excess payment made in the contravention of DPE guidelines issued vide OM dated 26.11.2008 to be effected. Accordingly, fresh demand letter(s) dated 01.04.2020 were issued to all 27 officers (both serving & retired) with request to make payment within 15 days. Out of 27 officials, recovery has been made from 9 officers. Six (6) officers approached Delhi High Court against subject recovery and matter is sub-judice. Further, recovery from one officer is in progress and with respect to other 11 officers, recovery suit has been filed in the court of law.

**Notes of Holding Company:-**

**39. Major Legal cases (Trade Receivables)**

- 39.1 STC has supplied HR Coils to M/s Conros Steel during 2009-10. Party has defaulted in making payment due against one of the LC amounting to Rs.1,205 Lacs (LC Value Rs.1,005 Lacs and Interest & other expenses Rs. 200 Lacs). STC has filed civil applications and criminal complaint under various sections of Indian Penal Code.

The material sold to the associate was pledged to STC and kept under the custody of CWC. However, another PSU viz. M/s Metal and Scrap Trading Corporation (MSTC) had made a claim of ownership of stock, against which STC has filed declaratory suit in the lower court, Panvel, Navi Mumbai. Meantime, the Hon'ble Court has asked MSTC to conduct the sale of pledged stock and

deposit the sale proceeds with the Hon'ble Court. Accordingly, MSTC conducted e-auction of the stock and deposited sale proceeds of Rs. 1,028 Lacs with the court. Further, the lender institutions have initiated proceedings under NCLT against the party, STC has filed its claim of Rs. 2,870 Lacs (including interest of Rs. 1,665 Lacs shown as contingent assets) before NCLT dated 21.08.2018.

39.2 STC has exported Gold jewellery to various parties of UAE against which USD 1,61,705,695 equivalent to Rs. 78,765 Lacs is outstanding for recovery. Due to economic meltdown during F.Y 2008-09, the buyer has defaulted in payments. However, STC has discounted 90% of the bills from EXIM Bank and paid 83.5 % to respective Indian Suppliers. STC has initiated criminal and civil proceedings against local suppliers which are still pending. However, against most of the Indian suppliers, winding up orders have already been passed. Accordingly, provision for amounting to Rs. 44,546 Lacs has been made and balance of Rs. 34,219 Lacs has not been provided as the same is payable to various local suppliers.

39.3 Other trade receivables include Rs.4,192 Lacs (approx.) on account of export of various agri commodities to various foreign buyers during 2006-07 to 2009-10 out of purchase made from the Local supplier M/s Mehak Overseas under various agreement against which corresponding credit balance of Rs. 4,192 Lacs appearing under Trade Receivables is payable under trade payable.

Further, a financial assistance of Rs. 7,533 Lacs given by STC to M/s Mehak Overseas Ltd. (MOPL) for the purchase of Agri Commodities has already been written off during 2013-14.

Since the party has failed to refund STC has initiated various legal steps against the party. The matter is also under investigation by CBI.

Considering the corresponding credit under trade payable of Rs.4,192 Lacs, no provision is considered necessary." During the FY-2021-22 no change in status.

39.4 Trade receivables include Rs.56,844 Lacs (approx.) on account of export of pharma products to foreign buyers purchase from M/s Rajat Pharmaceuticals Ltd". (RPL). RPL drew bills of exchange on STC which were also accepted upon receipt of overseas buyers pre-acceptance to STC's bills of exchange. The foreign buyers i.e. M/s Loben Trading and M/s Sweetland, defaulted in making payment against the export bills. A claim of Rs.52,786 Lacs has been admitted by the liquidator of one of the foreign buyer i.e. Loben Trading Co.Pte Ltd, Singapore . A Decree of Rs 6,247 Lacs has been passed by Hon'ble Mumbai High Court in favour of STC against the dues from foreign buyer i.e. Sweetland Trading Pte Ltd. However, one of them has gone into liquidation and official liquidator is appointed by Hon'ble High Court Mumbai. The matter is also under investigation by CBI. No provision is required against the same. Banks & Financial institutions have filed legal suit against RPL before DRT making STC also a party to the case claiming Rs. 47,647 Lacs.

39.5 Non-Current trade receivables include Rs. 322 Lacs from M/s Renaissance Corporation Ltd. towards import of pet bottle material which is pledged with STC. This outstanding is against non-lifting of scrap imported in respect of last LC. STC went into arbitration which was awarded in favour of STC. However, a provision of Rs. 176 Lacs to the extent of dues not covered by pledged stock, has already been made.

Ahmedabad branch is in the process to float tender for conducting physical verification and valuation of pet bottle scrap (pledged to STC) lying at survey no. 455, village Bhimasar, Taluka-Anjar, Distt. – Kutch.

39.6 STC has exported 19,980 MTs Rice for amounting to USD 60,93,900 (equivalent to Rs.4,065 Lacs) during 2016-17 to General Authority for Supply Commodities (GASC), a Government entity of Egypt on the basis of instruction of MEA. GASC, Egypt has deducted arbitrarily USD 6,03,357.75 (equivalent to Rs. 415 Lacs as on 31st March, 2019) from the total value of commercial invoice on account of fumigation and other charges and balance amount was paid.

However, STC has disputed the above said deduction and the matter has also been taken up at various forums i.e. MEA & concerned Embassies. Hence, no provision for Rs. 415 Lacs has been made.

Further, the said export of Rice was from the procurement made from Food Corporation of India (FCI) and as per Para 14 of the Agreement with FCI, the payment is to be made on receipts of the sale proceed from the Egyptian Buyer. Accordingly, STC has also not paid to the same extent to FCI."

Further in subsequent joint meeting of FCI, STC & MEA, it was decided that MEA shall pay the amount due of Rs. 415 Lacs. STC is not out of pocket and on receipt, amount will be passed to FCI. However, vide letter dated 08.10.2021, MEA has informed that they have made full and final settlement of Rs. 27,97,96,833/- on 27.12.2020 with Department of Food and Public Distribution. STC vide letter dated 29.10.2021 submitted that STC is not privy to said settlement and requested



that the details may be shared with STC. Reminder to said letter was again forwarded vide letter dated 18.05.2022.

- 39.7 STC has exported steel plates to Iranian Gas Engineering & Development Co. (IGEDC, Iran) during 2014-15 to 2016-17 for amounting to Rs. 2,87,324 Lacs under a contract which expired in January 2017. As on balance sheet date Rs. 8,938 Lacs reconciled is still outstanding. The amount outstanding will be paid by IGEDC, Iran. In the present case STC is not out of pocket since the amount outstanding from IGEDC on receipt is payable to back-up supplier M/s Essar Steel Ltd., Hazaria (now M/s Arcelor Mittal Nippon Steel India Limited) and accordingly no provision has been made.
- 39.8 Trade receivables include an amount of Rs. 1,054 Lacs recoverable from M/s Dankuni Steel Ltd. against supply of met Coke during earlier years. For recovery of the dues, claim has been filed with NCLT through IRP. The company has filed legal and criminal cases against the party which are being followed up.
- No provision for Rs. 696 Lacs has been made as the said amount is secured by mortgage of free hold land. A provision of Rs. 358 Lacs has been made against the dues. Tender was floated for the sale of mortgaged property at Dankuni, however, when tender was opened on 01.04.2021, no bids were received. Efforts are being made for sale of property and realization of dues. STC is in the process of floating tender for valuation of property in order to ascertain fair value and subsequent tendering for sale of said property.
- 39.9 Non-Current Claim Recoverable includes Rs 392 Lacs from M/s Lichen Metals (the party) out of total exchange gain of Rs 3,187 Lacs paid by STC to M/s Lichen Metals due to cancellation of forward cover by the party against indent for domestic supply of Bullion. Subsequently, STC demanded for the refund of such amount which the party refused to refund. On refusal for refund, STC adjusted deposits of Rs. 2,795 Lacs taken from holding company (M/s Edelweiss) of the party leaving a recoverable balance of Rs 392 Lacs. However, holding company had approached for arbitration against adjustment of its deposit by STC against the dues of the party (i.e. subsidiary). Arbitration award was in favour of the holding company of the party. However, STC has filed an appeal against the arbitration award before the Hon'ble High Court which is still pending. Hence, no provision for the same has been made. STC has deposited Rs. 3,192 Lacs with Hon'ble High Court, Calcutta pending appeal in Edelweiss matter.
- The amount was kept as a security in the form of FD with High Court, pending appeal. The money was withdrawn by M/s Edelweiss and a sum of Rs. 277 Lacs is left which is the amount of interest accrued over a period of time.
- 39.10 Claim recoverable includes Rs. 548 Lacs (equiv. to USD 0.86 million) outstanding for recovery from M/s Samsung C&T corporation, Korea against debit note issued by STC during 2017-18 due to quality variation of Urea imported. The supplier has invoked the arbitration clause and STC also filed its counter claim. However, the arbitration award passed was not in favour of STC, inter-alia, rejecting STC's counter claim. STC has filed appeal in Delhi High Court and in pursuance of Court's direction STC has also deposited Rs. 1,105 Lacs with Delhi High Court. Department of finance has till date not withdrawn the penalty imposed by them in the said transaction.
- 39.11 STC received a demand of Rs. 8,002 Lacs from NDMC during 2016-17 towards property tax for the period from 1999-2000 to 2016-17 and the same has been allocated proportionately to CCIC & HHEC. Out of total demand of Rs. 8,002 Lacs, STC has paid Rs. 2,212 Lacs during 2016-17 against which CCIC has paid its share of Rs. 115 Lacs. However, HHEC has not paid its share, hence provision to the extent of share of HHEC out of payment of Rs. 2,212 Lacs has already been made.
- 39.12 Advances includes a sum of Rs. 8,739 Lacs receivable from M/s MMT Nevyali, excluding contingent assets of Rs. 32,238 Lacs recoverable from one of the business associates, 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 Rs. 11,000 Lacs in its favour along with 12% interest per annum from 1st May 2006 till realization of award. However, the party and its partner filed application under sec 34 of arbitration act challenging the arbitral award. The applications have been heard and arguments completed on 28.01.2021 and order is reserved.
- 39.13 Trade receivables of Rs. 5 Lacs (excluding Contingent Assets of Rs 18,413 Lacs) is receivable from M/s Balasore Alloys, the business associate Various legal cases i.e u/s 138 of N.A Act & u/s 482 of Cr. PC are pending before Hon'ble Courts in New Delhi are being pursued vigorously. STC in total has received Rs. 5,855 Lacs in terms of interim award dated 23.03.2017 of Arbitral Tribunal.

Both side arguments got over and written submissions had also been submitted during January, 2020.

- 39.14 However, as ICA was not publishing the award for want of payment of Rs. 50,47,250/- from M/s BAL and in absence of award, STC cannot proceed further with the execution of award. Hence an application requesting Hon'ble High Court of Delhi to direct ICA for publication of award was filed during October, 2021.

**Notes of Subsidiary Company:-**

- 39.14 Rs.2.08 Crore [excluding interest and trade margin] was due from one of the debtor against High Seas Sale and Pledge of stocks in their premises which was under CWC management. As the payment were not received, the Company invoked the Personal Corporate Guarantee executed by the debtor in favor of the company and filed cases under Section 138 of N.I.Act. The company has made full provision for Rs, 2.08 Crore in the earlier years. Arbitral award dtd.30.09.2013 came in favor of the Company for recovery of claims debtor has challenged the Arbitral award in the court and the Company has filed its objection. The party has remitted a sum of Rs, 0.19 Crore during the financial year 2018-19 , the same has been reversed in earlier provisions and leaving a balance of 1.89 Crore.
- 39.15 Rs.17.10 Crore is due from another debtor. The Company has filed a private complaint in the magistrate court against RPEPL.its sister concern and C&F Agent for unauthorized lifting of stock, which has been referred to the jurisdiction police station at Bangalore. Since B.Report was filed by the police. Company has challenged on the B report in the court requesting for re-investigation. The Company has initiated action u/s.138 of Negotiable Instrument Act for the return of the cheque unpaid. In addition the Company has invoked the personal guarantee issued by the director of RPFPL and against the non payment the Company has filed a recovery suit in the Kolkata High Court The Arbitral award dtd.23.03.2016 came in favor of the Company. The Company has made full provision for Rs.17.10 Crore in the earliest years. The company has also filed a petition under Section 7 of IBC Act, before NCLT, Kolkatta against the said debtor and awaiting for the legal process.
- 39.16 Rs.8.96 Crore is due from another debtor (for which provision was made in the earlier years) against High seas Sale and Pledged of stocks held in the premises of Container Corporation of India at Chennai. As the Payments were not received. The Company invoked the personal Corporate Guarantee executed by debtor under 138 of NI Act. STCL is in the process of exploring possibilities with custom authorities for liquidation of the available stock for recovery of the dues.STCL had initiated Arbitration and Retired Justice had been appointed on 19.06.2016 as Arbitration proceedings was completed and the award was given in favor of STCL vide the order dated 20.06.2017 for an amount of Rs,8.96 Crore however SGSRML has challenged the award in the city civil court Bangalore which is in progress. Case filed by the company under Section 138 of NI Act has been dismissed and the company has challenged the order and moved an appeal before the High Court of Karnataka, the matter is pending.
- 39.17 Rs.12.64 Crore [excluding interest] is due from one of the Business Associate , regarding a stock of around 29,400 MTS of Iron ore fines [subject to handling and storing loss an account of long storage period] approximately valuing Rs. 3.38 Crore as per the present market value. The stocks are in the custody of C&F agent at Vizag and there is claim of custodian charges amounting to Rs. 1.67 Crore. Further business associate has moved in the High Court of Karnataka for appointment of Arbitrator, which is awaited.
- 39.18 Rs.6.86 Crore [excluding interest] is due from one of the business associate , the matter was referred to arbitration. The arbitration award was declared in Company's favor for recovery of claim along with legal cost. Further business associate has challenged the arbitration award and filed a petition before the Court and the matter is pending.
- 39.19 Rs.12.38 Crore [excluding interest] is due from another business associate. The company is pursuing the legal/recovery cases against the party.
- 39.20 The Company has issued charge sheet to 7 officials in respect of (i), (ii) & (iii) above and also in respect of quality claims of USD 2.88 Million [Rs. 18.67 Crore] by overseas buyer against Company which is shown under contingent liability. The CVC has appointed the inquiry officer and the inquiry is in progress.
- 39.21 Rs.3.91 Crore is due from another business associate. The Company had filed a Private Complaint for diverting and misappropriation of 371 MTS of Pulses. Since the 'B' report has been filed by the Police after investigation, the Company has challenged on the 'B' report filed by the police in the Court requesting for re-investigation. The Company has also filed case under section

- 138 of NI Act, the legal proceedings are in progress and company has won for the claim of Rs. 1.50 Crores and the party has filed an appeal with the appellate authority which is pending for disposal. The Company has made full provision for the amount due in the earlier years.
- 39.22 Rs. 2.08 Crore/- [excluding interest and trade margin] was due from one of the debtor, Company had created a provision for the full amount earlier. The party has remitted a sum of Rs. 1.54 Crore during the financial year 2019-20, the same has been reversed in earlier provisions.
- 39.23 Loans and Advances includes Rs. 1155.25 Crore [net of security deposit/margin money] shown as Claims Receivable from Business Associates. The Company opened usance letters of credit on overseas suppliers for import of Metal Scraps-[Nickel/Copper Scrap] for merchanting trade at the cost and risk of the Business Associates. The associates / buyers failed to meet the commitment of making the payment before the due dates of the Letters of Credit and this resulted in devolvement of LC's on Company. The net amount due from above business associate is Rs. 1155.25 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 Company which were found to contain Iron Scrap instead of Nickel and Copper Scrap. The containers were auctioned by the port authorities. In view of the cargo being assessed as Iron/Steel Scrap and the auction sale price ranging from USD 206 to 250 per MT, the Company has filed complaints against overseas seller business associates as well as international inspection agency all the Criminal complaints filed in India have been transferred to CBI New Delhi. CBI has investigated the matter and filed charge sheet on 7th December, 2016 in the court of XXI Additional City Civil & Sessions Judge & Special Judge for CBI cases Bangalore (CCH-4). The Enforcement Directorate, has issued a show cause notice to STCL and its four officials, business associates and 8 bankers of STCL in December 2011. The Company has replied to the show cause notice. Further The Special Director, Enforcement Directorate, Chennai, summoned the Company on 25.03.2014 and Company appeared and presented the details in the adjudication process. After completion of enquiry, Special Director, Enforcement Directorate Chennai passed an order bearing No. SDE/SRO/BGZO/01/2018 (KRUB) Dated: 30.01.2018 whereby STCL was held liable for contravening the provision of the foreign exchange management act 1999 (FEMA) and in particular section 10 (6) of the (FEMA) read with regulation 6(1) of the Foreign Exchange Management (Realisation, Repatriation and Surrender of Foreign Exchange Regulation) 2000.
- 39.24
- 39.25
- 39.26
- 39.27 Vide the impugned order, ED had levied a penalty of Rs. 10 Crore with direction to pay the penalty within 45 days and the appeal on the above order shall lie with Appellate Tribunal under Smugglers and Foreign Exchange Manipulators (Forfeiture of property) New Delhi. STCL has filed appeal before the Appellate Tribunal on 09.03.2018 Praying for dropping the charges imposed against STCL along with penalty levied. STCL filed the appeal before the Appellate Tribunal on 09.03.2018 vide Appeal No. FE-12/CHN/2018. and matter is in progress.
- 39.28 The Company has initiated civil and criminal proceedings for recovery of the amount from the business associates and in this connection the Company has obtained injunction on the properties owned by the business associates which includes 154 acres of land belonging to them and group companies for which the business associates have submitted original title deeds to the SBI, lead bank of consortium of banks for creation of charge.
- 39.29 Subsequent to the dismissal of SLP filed in the Supreme Court by FMPL/FEIPL, the High Court of Karnataka has re-appointed as sole Arbitrator vide its order dtd. 07.04.2017. He had issued the notice to both the parties for appearing on 18.05.2017 to start the arbitration proceedings. However he relinquished the office of the arbitration citing personal reason and STCL approached High Court of Karnataka for appointment of New Arbitrator. High Court vide its order dated 06.09.2017 appointed former Judge of High Court of Karnataka to adjudicate the matter. The company has deposited the arbitration fees and The arbitration proceedings is in progress.
- 39.30 As the Sale is not concluded in these transactions due to non-receipt of payment from the buyers / associates, as per the contract, the amount payable towards devolved LC's [Purchase-Metal Scrap (Imports)] were transferred to the Business Associates account and treated as 'Claims Receivable from Business Associates' in accordance with the terms of contract.
- 39.31 In this connection, the Company has obtained the court injunction on the properties of the business associate. The Company had engaged the services of Government and Banks Registered Valuer

to assess the value of land located at Punjab during January, 2012. By oversight while converting 2382.91 Bighas into Acres from the valuation report dtd. 20.01.2012 it was wrongly mentioned as

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

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

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

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

39.2 In the opinion of the Management, the current assets, loans & advance 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

39.3 As full provision for doubtful debts has already been made in the previous years, no further interest income is recognized. The amounts will be recognized as income in the year of actual recovery on collection basis. The interest payable to consortium of banks and UCO bank of Rs. 559.59 Core calculated on accrual basis is to be recovered from the business associated to whom the credit facilities were provided.

40	Commitments	(Rs. Lacs)	
		31.03.2022	31.03.2021
	<b>Particulars</b>		
	<b>Capital Commitments :</b>		
	PPE	199.31	359.97
	Intangible Assets	6.37	6.37
	<b>Total</b>	<b>205.68</b>	<b>366.33</b>
	<b>Other Commitments</b>	-	-

**THE STATE TRADING CORPORATION OF INDIA LTD.**  
**Notes to Accounts for the year ended March 31st, 2022**

41 **Disclosures in respect of Ind AS 107 - Financial Instruments**

41.1 **Financial Instruments by Categories & Fair Value Hierarchy**

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

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

(a) As on March 31, 2022

(Rs.)

Particulars	Hierarchy Level	Amortized cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Financial Assets:</b>						
Investments in Equity Instruments (Ref Note No. 8)	3	1.04	-	-	1.04	1.04
Cash & Cash Equivalents (Ref Note No. 16)	3	3,707.01	-	-	3,707.01	3,707.01
Bank Balances other than cash & cash equivalents (Ref	3	17.96	-	-	17.96	17.96
Trade Receivable (Ref Note No. 9)	3	106,691.79	-	-	106,691.79	106,691.79
Employee Loans (Ref Note No. 10)	3	366.57	-	-	366.57	366.57
Security Deposits(Ref Note No. 10)	3	3,277.21	-	-	3,277.21	3,277.21
Other Financial Assets (Ref Note No. 11)	3	24,625.23	-	-	24,625.23	24,625.23
<b>Total</b>		<b>138,686.81</b>	<b>-</b>	<b>-</b>	<b>138,686.81</b>	<b>138,686.81</b>
<b>Financial Liabilities:</b>						
Trade Payable (Ref Note No. 21)	3	112,071.99	-	-	112,071.99	112,071.99
Borrowings (Ref Note No. 20)	3	198,686.94	-	-	198,686.94	198,686.94
Other Financial Liabilities (Ref Note No. 22)	3	378,033.93	-	-	378,033.93	378,033.93
<b>Total</b>		<b>688,792.86</b>	<b>-</b>	<b>-</b>	<b>688,792.86</b>	<b>688,792.86</b>

(b) As on March 31, 2021

(Rs.)

Particulars	Hierarchy Level	Amortized cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Financial Assets:</b>						
Investments in Equity	3	1.04	-	-	1.04	1.04
Cash & Cash Equivalents	3	8,834.03	-	-	8,834.03	8,834.03
Bank Balances (Ref Note No.	3	18.06	-	-	18.06	18.06
Trade Receivable (Ref Note	3	106,694.11	-	-	106,694.11	106,694.11
Employee Loans (Ref Note	3	347.30	-	-	347.30	347.30
Security Deposits(Ref Note	3	4,630.26	-	-	4,630.26	4,630.26
Other Financial Assets (Ref	3	15,175.77	-	-	15,175.77	15,175.77
<b>Total</b>		<b>135,700.57</b>	<b>-</b>	<b>-</b>	<b>135,700.57</b>	<b>135,700.57</b>

- a) Market risk  
i) Foreign Currency risk

The Company operates at international level which exposes the company to foreign currency risk arising from foreign currency transaction arising primarily from USD & EURO. Foreign currency risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency other than INR as on reporting date.

**(a) As on 31.03.2022 (Rs. Lacs)**

Particulars	US Dollars (in Equiv. INR)	Euro (in Equiv. INR)	Other Currencies (in Equiv. INR)	Total
Cash & cash equivalents				
Trade Receivable	141,139.64	1,479.67	-	142,619.31
Freight Demurrage/Despatch Receivable	-	-	-	-
Other Receivable	-	-	-	-
<b>Total Receivable in Foreign Currency</b>	<b>141,139.64</b>	<b>1,479.67</b>	<b>-</b>	<b>142,619.31</b>
Foreign currency Loan Payable	-	-	-	-
Interest on foreign currency loan payable	-	-	-	-
Trade Payables	1,665.41	-	4.25	1,669.66
Freight Demurrage/despatch payable	-	-	-	-
Provision towards Litigation settlement	-	-	-	-
Others (if any)	-	-	-	-
<b>Total payable in Foreign currency</b>	<b>1,665.41</b>	<b>-</b>	<b>4.25</b>	<b>1,669.66</b>
<b>Net Assets/(Liabilities)</b>	<b>139,474.24</b>	<b>1,479.67</b>	<b>(4.25)</b>	<b>140,949.66</b>

**(a) As on 31.03.2021 (Rs. Lacs)**

Particulars	US Dollars (in Equiv. INR)	Euro (in Equiv. INR)	Other Currencies (in Equiv. INR)	Total
Cash & cash equivalents	-	-	-	-
Trade Receivable	141,119.77	1,479.67	-	142,599.44
Freight Demurrage/Despatch Receivable	-	-	-	-
Other Receivable	-	-	-	-
<b>Total Receivable in Foreign Currency</b>	<b>141,119.77</b>	<b>1,479.67</b>	<b>-</b>	<b>142,599.44</b>
Foreign currency Loan Payable	-	-	-	-
Interest on foreign currency loan payable	-	-	-	-
Trade Payables	1,665.41	2.00	4.32	1,671.72
Freight Demurrage/despatch payable	-	-	-	-
Provision towards Litigation settlement	-	-	-	-
Others (if any)	-	-	-	-
<b>Total payable in Foreign currency</b>	<b>1,665.41</b>	<b>2.00</b>	<b>4.32</b>	<b>1,671.72</b>
<b>Net Assets/(Liabilities)</b>	<b>139,454.36</b>	<b>1,477.68</b>	<b>(4.32)</b>	<b>140,927.72</b>

**Sensitivity**

The sensitivity of profit or loss to changes in exchange rate arises mainly from foreign currency denominated financial instrument.

Particulars	Impact on profit after tax	
	March 31, 2022	March 31, 2021
Increase by -%	Negligible or no impact	
Decrease by -%		

- ii) Interest rate risk

The company's main interest rate risk arises from long term and short term borrowings with variable rates, which expose the company to cash flow interest rate risk. During March 31, 2021 and March 31, 2020, Company's borrowings are denominated in INR.

**(Rs. Lacs)**

Particulars	March 31, 2022	March 31, 2021
Variable rate borrowings	-	-
Fixed rate borrowings	80,623.24	80,623.24
<b>Total borrowings</b>	<b>80,623.24</b>	<b>80,623.24</b>

### Sensitivity

Profit or loss is sensitive to higher/lower expense from borrowings as a result of change in interest rates. The table summarises the impact of increase/decrease in interest rates on Profit or loss.

Particulars	Impact on profit after tax	
	March 31, 2022	March 31, 2021
Interest rates- increase by (%)	No Impact	
Interest rates- decrease by (%)		

### iii) Security price fluctuation risk

The company's exposure to security price risk arises from company's investments in mutual funds and classified in the balance sheet as fair value through profit and loss.

#### Sensitivity

The table below summarises the impact of increase/decrease of the investment by certain percentage on Profit or Loss of the company.

Particulars	Impact on profit after tax	
	March 31, 2022	March 31, 2021
Interest rates- increase by (%)	No Impact	
Interest rates- decrease by (%)		

### b) Credit Risk

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

#### Trade Receivables & Unbilled Revenue (Rs. Lacs)

Particulars	March 31, 2022	March 31, 2021
Trade Receivables	169,419.41	14,885.17
Unbilled Revenue	-	-

Trade receivables and unbilled revenue are both secured & unsecured and are derived from revenue earned from customers. On account of adoption of Ind-AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the company's historical experience for customers.

#### Credit risk exposure

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

Particulars	March 31, 2022		March 31, 2021	
	Gross	Impairment	Gross	Impairment
Not past due	-	-	-	-
Past due upto 6 Months	-	-	-	-
Past due more than six months but not more than one year	-	-	-	-
More than one year	169,419.41	62,727.62	169,423.64	62,729.63
<b>Total</b>	<b>169,419.41</b>	<b>62,727.62</b>	<b>169,423.64</b>	<b>62,729.63</b>

Trade receivables are impaired when recoverability is considered doubtful based on the recovery analysis performed by the company for individual trade receivables. The company considers that all the above financial assets that are not impaired and past due for each reporting dates under review are of good credit quality.

#### Other Financial Assets

Credit risk relating to cash and cash equivalents is considered negligible because our counterparties are banks. We consider the credit quality of term deposits with such banks that are majority owned by the Government of India and subject to the regulatory oversight of the Reserve Bank of India to be good, and we review these banking relationships on an ongoing basis. Credit risk related to employee loans are considered negligible since loan is secured against the property/guarantee for which loan is granted to the employees. There are no impairment provisions as at each reporting date against these financial assets. We consider all the above financial assets as at the reporting dates to be of good credit quality (Note if any impairment provisions are made against these financial assets then information to be provided)

c) Liquidity Risk

Our liquidity needs are monitored on the basis of monthly and yearly projections. The company's principal sources of liquidity are cash and cash equivalents, cash generated from operations and credit facilities from banks

We manage our liquidity needs by continuously monitoring cash inflows and by maintaining adequate cash and cash equivalents. Net cash requirements are compared to available cash in order to determine any shortfalls.

Short term liquidity requirements consists mainly of sundry creditors, expense payable, employee dues arising during the normal course of business as of each reporting date. We maintain a sufficient balance in cash and cash equivalents to meet our short term liquidity requirements.

We assess long term liquidity requirements on a periodical basis and manage them through internal accruals.

The table below provides details regarding the contractual maturities of non-derivative financial liabilities. The table have been drawn up based on the undisclosed cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The table includes both principal & interest cash flows.

**(a) As on March 31, 2022**

**(Rs. Lacs)**

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	-	29,840.90	639.51	1,062.37	80,529.20	112,071.99
Short term borrowings	-	-	80,623.24	-	118,063.69	198,686.93
Other Financial Liabilities	15,153.46	401.41	5,515.64	346,262.92	10,702.51	378,035.94
<b>Total</b>	<b>15,153.46</b>	<b>30,242.32</b>	<b>86,778.39</b>	<b>347,325.29</b>	<b>209,295.40</b>	<b>688,794.86</b>

**(b) As on March 31, 2021**

**(Rs. Lacs)**

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	181.01	15,047.33	112.06	1,048.98	95,814.90	112,204.28
Short term borrowings	-	-	80,623.28	-	118,063.69	198,686.97
Other Financial Liabilities	4,908.52	29,011.94	-	338,358.26	2,720.64	374,999.36
<b>Total</b>	<b>5,089.52</b>	<b>44,059.27</b>	<b>80,735.34</b>	<b>339,407.24</b>	<b>216,599.23</b>	<b>685,890.61</b>

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

The amount of exchange differences (net) debited/credited to the Statement of Profit & Loss Rs. - 80.51 lacs (P.Y. Rs.69.60 lacs.)

**43. Disclosure in respect of Indian Accounting Standard (Ind AS)-23 "Borrowing Costs"**

The amount capitalized with Property, Plant & Equipments as borrowing cost is Rs. Nil . & Rs. Nil . for the year ended March 31, 2022 & March 31, 2021 respectively.

**44. Disclosure in respect of Indian Accounting Standard (Ind AS)-36 "Impairment of assets"**

During the year, the company assessed the impairment loss of Rs. Nil (P.Y. Rs.Nil.) on assets. Refer Note 32.

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

**Operating Segments**

- 1) Export
- 2) Import
- 3) Domestic

**Identification of Segments**

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

**Segment revenue and results**

The expenses and incomes which are not directly attributable to any business segment are shown as



unallocable expenditure (net of unallocated income).

### Segment assets and liability

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

### Intersegment Transfers

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

### Segment Revenues and Results

(a) for the year ended March 31, 2022 (Rs. Lacs)

S. No.	Particulars	Export	Import	Domestic	Unallocated	Total
1	<b>Segment Revenue</b>					
1(a)	External Sales	-	-	-	-	-
1(b)	Inter segment revenue	-	-	-	-	-
	<b>Segment Revenue (1(a) +1 (b))</b>	-	-	-	-	-
2	<b>Segments Results</b>	-	-	-	-	-
3 (a)	Unallocated Corporate expenses net of unallocated income	-	273.58	-	9,600.55	9,874.13
3 (b)	Interest Expense	-	-	-	-	-
3 (c)	Interest Income	(72.85)	-	-	177.74	104.89
	<b>Total [3(a)+3(b)+3(c)]</b>	(72.85)	273.58	-	10,715.43	10,916.17
4	<b>Profit before tax from ordinary activities [(2)- 3(a),(b) &amp; (c)]</b>	<b>(72.85)</b>	<b>(273.58)</b>	<b>-</b>	<b>3,292.54</b>	<b>2,946.11</b>
5	Exceptional Items	-	-	-	7,089.93	7,089.93
6	Income taxes	-	-	-	4,541.06	4,541.06
7	<b>Net Profit after tax (4)- (5) -(6)</b>	<b>(72.85)</b>	<b>(273.58)</b>	<b>-</b>	<b>(8,338.46)</b>	<b>(8,684.88)</b>
8	<b>Interest in results of JV's</b>	-	-	-	-	-
9	<b>Other Information :</b>					
9 (a)	Segment Assets	9,036.22	95,332.14	-	126,350.70	230,719.06
9 (b)	Segment Liabilities	10,648.30	105,825.97	-	589,712.64	706,186.91
9 (c)	Capital Expenditure	-	-	-	-	-
9 (d)	Depreciation	-	-	-	-	-
9 (e)	Non-Cash expenses other than depreciation	72.85	-	-	-	72.85

(b) for the year ended March 31, 2021 (Rs. Lacs)

S. No.	Particulars	Export	Import	Domestic	Unallocated	Total
1	<b>Segment Revenue</b>					
1(a)	External Sales	-	1,213.23	23,450.97	-	24,664.20
1(b)	Inter segment revenue	185.28	-	131.66	-	316.94
	<b>Segment Revenue [1(a) +1 (b)]</b>	<b>185.28</b>	<b>1,213.23</b>	<b>23,582.64</b>	<b>-</b>	<b>24,981.14</b>
2	<b>Segments Results</b>	185.28	1,153.34	23,582.64	-	24,921.25
3 (a)	Unallocated Corporate expenses net of unallocated income	-	151.68	-	31,092.29	31,243.96
3 (b)	Interest Expense	72.85	-	-	-	72.85
3 (c)	Interest Income	-	-	-	(1,079.36)	(1,079.36)
	<b>Total [3(a)+3(b)+3(c)]</b>	<b>72.85</b>	<b>151.68</b>	<b>-</b>	<b>29,801.77</b>	<b>30,026.29</b>
4	<b>Profit before tax from ordinary activities [(2)- 3(a),(b) &amp; (c)]</b>	<b>112.43</b>	<b>1,001.66</b>	<b>23,582.64</b>	<b>(29,984.23)</b>	<b>(5,287.50)</b>
5	Exceptional Items	-	(19.25)	-	132.73	113.48
6	Income taxes	-	-	-	19.63	19.63
7	<b>Net Profit after tax [(4)- (5) -(6)]</b>	<b>112.43</b>	<b>1,020.91</b>	<b>23,582.64</b>	<b>(29,760.63)</b>	<b>(5,044.66)</b>
8	<b>Interest in results of JV's</b>	-	-	-	-	-

9	<b>Other Information :</b>	-	-	-	-	-
9 (a)	Segment Assets	9,036.22	38,536.29	-	188,526.45	236,098.96
9 (b)	Segment Liabilities	10,648.30	48,995.50	-	643,797.33	703,441.13
9 (c)	Capital Expenditure	-	-	-	94.28	94.28
9 (d)	Depreciation	-	-	-	1,588.19	1,588.19
9 (e)	Non-Cash expenses other than depreciation	72.85	-	-	-	72.85

(ii) **Information about major customers**

For the year ended March 31, 2022

(Rs. Lacs)

Major Customer (customer having more than 10% revenue)	Export	Import	Domestic
	Year ended March 31, 2022	Year ended March 31, 2022	Year ended March 31, 2022
<b>Total Revenue</b>	NIL		
<b>Name of Major Customer :</b>			
#REF!			
<b>% of Total Revenue</b>			

(i) **Defined benefit plans:**

**A. Provident fund**

Company pays fixed contribution to Provident Fund at pre determined 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. (Refer Note 30 for expenses on this account) 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.

**B. 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 Rs. 20 lakhs on superannuation, resignation, termination, disablement or death.

Based on the actuarial valuation, the following table sets out the status of the gratuity and the amounts recognised in the Company's financial statements as at balance sheet date:

(Rs. Lacs)

<b>Net defined benefit (asset)/liability :</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
Current	497.08	760.99
Non-Current	1,291.76	1,475.92
<b>Total PBO at the End of year</b>	<b>1,713.40</b>	<b>2,165.96</b>

**Movement in net defined benefit (asset)/liability**

S.No.	Particulars	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit (asset) liability	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
A	Opening balance	2,236.92	3,581.11	2,155.21	3,638.70	81.71	(57.59)
B	<b>Included in profit or loss:</b>	-	-	-	-	-	-
(i)	Current service cost	141.96	75.00	-	-	141.96	75.00
(ii)	Past service cost	-	-	-	-	-	-
(iii)	Interest cost (income)	146.20	233.60	(143.26)	(230.39)	289.46	463.98
	<b>Total amount recognised in profit or loss (i+ii+iii)</b>	<b>288.15</b>	<b>308.59</b>	<b>(143.26)</b>	<b>(230.39)</b>	<b>431.41</b>	<b>538.98</b>
C	<b>Included in OCI:</b>	-	-	-	-	-	-
	Remeasurement loss (gain):	-	-	-	-	-	-
	Actuarial loss (gain) arising from :	-	-	-	-	-	-
(i)	Financial assumptions	(29.85)	(17.27)	0.78	7.36	(30.63)	(24.63)
(ii)	Experience adjustment	113.20	(18.72)	-	-	113.20	(18.72)
(iii)	Demographic Assumption	-	-	-	-	-	-
(iv)	Return on plan assets excluding interest income	-	(21.70)	29.86	20.80	(29.86)	(42.50)
	<b>Total amount recognised in other comprehensive income (i+ii+iii)</b>	<b>83.35</b>	<b>(57.69)</b>	<b>30.64</b>	<b>28.16</b>	<b>52.70</b>	<b>(85.85)</b>

D	Other	48.28	-	-	-	48.28	-
E	Contribution Paid to the Fund	-	-	4.09	-	(4.09)	-
F	Benefits paid	(695.85)	(1,622.39)	(771.30)	(1,622.39)	75.45	-
G	Acquisition Adjustment	-	5.59	-	5.59	-	-
h	<b>Closing balance (A+B-C+D+E+F+g)</b>	<b>1,794.17</b>	<b>2,330.60</b>	<b>1,214.10</b>	<b>1,763.36</b>	<b>580.06</b>	<b>567.24</b>

The Fair Value of Plan Assets at the end of the reporting period is as follows:-

S.No.	Particulars	As at 31.03.2022	As at 31.03.2021
(A)	<b>Balance with Bank</b>		
	SBI	0.07	0.07
	Yes Bank	-	4.15
	IDBI	9.57	10.31
	<b>Total (A)</b>	<b>9.64</b>	<b>14.53</b>
(B)	<b>Group Gratuity Traditional Fund Scheme</b>	-	-
	Bajaj Allianz	1,140.12	1,099.29
	SBI Life	1.58	26.79
	HDFC Standard Life Insurance	376.65	1,003.99
	<b>Total (B)</b>	<b>1,518.35</b>	<b>2,130.06</b>
	<b>Grand Total (A+B)</b>	<b>1,527.99</b>	<b>2,144.59</b>

### C. Post-Retirement Medical Benefit Scheme (PRMB)

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. Based on the actuarial valuation, the following table sets out the status of the PRMB and the amounts recognised in the Company's financial statements as at balance sheet date:

Net defined benefit (asset)/liability :	(Rs. Lacs)	
	31.03.2022	31.03.2021
Current	930.06	912.17
Non-Current	10,447.74	10,549.00
<b>Total PBO at the End of year</b>	<b>11,377.80</b>	<b>11,461.17</b>

### Movement in net defined benefit (asset)/liability

(Rs. Lacs)

S. No.	Particulars	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit (asset) liability	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
A	Opening balance	11,461.17	11,483.04	-	-	11,461.17	11,483.04
B	<b>Included in profit or loss:</b>	-	-	-	-	-	-
(i)	Current service cost	41.65	49.42	-	-	41.65	49.42
(ii)	Past service cost	-	-	-	-	-	-
(iii)	Interest cost (income)	765.61	748.69	-	-	765.61	748.69
	<b>Total amount recognised in profit or loss</b>	<b>807.26</b>	<b>798.11</b>	-	-	<b>807.26</b>	<b>798.11</b>
C	<b>Included in OCI:</b>	-	-	-	-	-	-
	Remeasurement loss (gain):	-	-	-	-	-	-
	Actuarial loss (gain) arising from :	-	-	-	-	-	-
(i)	Financial assumptions	(671.63)	(157.80)	-	-	(671.63)	(157.80)
(ii)	Experience adjustment	-	(193.89)	-	-	-	(193.89)
(iii)	Return on plan assets excluding interest income	-	-	-	-	-	-
	<b>Total amount recognised in other comprehensive income</b>	<b>(671.63)</b>	<b>(351.69)</b>	-	-	<b>(671.63)</b>	<b>(351.69)</b>
D	Other	-	-	-	-	-	-
E	Benefits paid	(219.00)	(468.30)	-	-	(219.00)	(468.30)
F	<b>Closing balance (A+B+C+D+E)</b>	<b>11,377.80</b>	<b>11,461.17</b>	-	-	<b>11,377.80</b>	<b>11,461.17</b>

**D. Leave**

The Company provides for Earned Leave (EL) and Half Pay Leave (HPL) benefit to the employees of the Company which accrues 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.

<b>Earned Leave</b>		(Rs. Lacs)	
<b>Net defined benefit (asset)/liability :</b>	<b>31.03.2022</b>	<b>31.03.2021</b>	
Current	179.74	194.24	
Non-current	780.14	815.97	
<b>Total PBO at the End of year</b>	<b>959.89</b>	<b>1,010.21</b>	

**Movement in net defined benefit (asset)/liability** (Rs. Lacs)

S.NO.	Particulars	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit (asset) liability	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
A	Opening balance	1,010.20	1,453.37	-	-	1,010.20	1,453.37
B	<b>Included in profit or loss:</b>	-	-	-	-	-	-
(i)	Current service cost	52.76	64.94	-	-	52.76	64.94
(ii)	Past service cost	-	-	-	-	-	-
(iii)	Interest cost (income)	67.47	94.82	-	-	67.47	94.82
C	<b>Remeasurement loss (gain):</b>	-	-	-	-	-	-
	Actuarial loss (gain) arising from :	-	-	-	-	-	-
(i)	Financial assumptions	(25.52)	(12.29)	-	-	(25.52)	(12.29)
(ii)	Experience adjustment	47.30	(16.68)	-	-	47.30	(16.68)
(iii)	Demographic Assumption	-	-	-	-	-	-
(iii)	Return on plan assets excluding interest income	-	-	-	-	-	-
	<b>Total amount recognised in profit or loss (B+C)</b>	<b>142.02</b>	<b>130.79</b>	<b>-</b>	<b>-</b>	<b>142.02</b>	<b>130.79</b>
D	Other	-	-	-	-	-	-
E	Benefits paid	(192.33)	(573.97)	-	-	(192.33)	(573.97)
	<b>Closing balance (A+B+C+D+E)</b>	<b>959.89</b>	<b>1,010.20</b>	<b>-</b>	<b>-</b>	<b>959.89</b>	<b>1,010.20</b>

**Sick Leave / (HPL)** (Rs. Lacs)

<b>Net defined benefit (asset)/liability :</b>	<b>31.03.2022</b>	<b>31.03.2021</b>	
Current	88.37	73.07	
Non-current	280.78	301.41	
<b>Total PBO at the End of year</b>	<b>369.14</b>	<b>374.48</b>	

**Movement in net defined benefit (asset)/liability** (Rs. Lacs)

S.NO.	Particulars	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit (asset) liability	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
A	Opening balance	374.48	888.28	-	-	374.48	888.28
B	<b>Included in profit or loss:</b>	-	-	-	-	-	-
(i)	Current service cost	16.09	21.38	-	-	16.09	21.38
(ii)	Past service cost	-	-	-	-	-	-
(iii)	Interest cost (income)	25.02	57.92	-	-	25.02	57.92
C	<b>Remeasurement loss (gain):</b>	-	-	-	-	-	-
	Actuarial loss (gain) arising from :	-	-	-	-	-	-
(i)	Financial assumptions	(7.71)	(4.76)	-	-	(7.71)	(4.76)
(ii)	Experience adjustment	2.20	(430.79)	-	-	2.20	(430.79)
(iii)	Demographic Assumption	-	-	-	-	-	-
(iv)	Return on plan assets excluding interest income	-	-	-	-	-	-

<b>Total amount recognised in profit or loss (B+C)</b>	<b>35.60</b>	<b>(356.25)</b>	<b>-</b>	<b>-</b>	<b>35.60</b>	<b>(356.25)</b>
D Other	-	-	-	-	-	-
E Benefits paid	(40.94)	(157.55)	-	-	(40.94)	(157.55)
<b>Closing balance (A+B+C+D+E)</b>	<b>369.14</b>	<b>374.48</b>	<b>-</b>	<b>-</b>	<b>369.14</b>	<b>374.48</b>

#### 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 @ Rs. 1,000/- per year for each completed year of service is also given at the time of retirement subject to a maximum of Rs. 30,000/-. The same has been discontinued vide personnel division Circular dated 13.06.2017.

#### F. Actuarial Assumptions

The following were the principal actuarial assumptions at the reporting date

S.No.	Particulars	31.03.2022	31.03.2021
1	Discount Rate	7.00%	6.68%
2	Future Salary Increase	8%	8%
3	Medical Cost Increase	8%	8%

- i The discount rate is based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that of the liability
- ii Salary Growth rate is company's long term best estimate as to salary increases & takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting period.
- iii Medical Cost increase rate is company's long term best estimate as to cost increases taking into account of inflation, other relevant factors on long term basis as provide in relevant accounting period.

#### G Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

As on 31.03.2022

Assumption	Change in Assumption	Gratuity	PRMB	Earned Leave	Half Pay Leave
		(Funded)		(Non Funded)	
Discount rate	0.50%	(44.14)	(625.12)	(34.51)	(11.42)
	-0.50%	47.23	652.59	37.69	12.17
Salary growth rate	0.50%	14.03	-	36.91	11.93
	-0.50%	(14.90)	-	(34.43)	(11.39)
Medical Cost Increase	0.50%	-	670.35	-	-
	-0.50%	-	(639.85)	-	-

As on 31.03.2022

Assumption	Change in Assumption	Gratuity	PRMB	Earned Leave	Half Pay Leave
		(Funded)		(Non Funded)	
Discount rate	0.50%	(57.21)	(620.70)	(35.90)	(14.09)
	-0.50%	48.82	646.70	39.34	15.34
Salary growth rate	0.50%	11.67	-	38.37	14.97
	-0.50%	(24.83)	-	(35.75)	(14.04)
Medical Cost Increase	0.50%	-	664.30	-	-
	-0.50%	-	(635.32)	-	-

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated by actuarial

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable

#### H Risk Exposure

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

1. **Salary Increase-** Actual salary increase will increase the Plan's Liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
2. **Investment Risk-** If plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
3. **Discount Rate-** Reduction in discount rate in subsequent valuations can increase the plan's liability.
4. **Mortality & Disability-** Actual deaths & Disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
5. **Withdrawals-** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's Liability.

Maturity Profile of Defined Benefit Obligations  
As on 31.03.2022

(Rs. Lacs)

Year of payment	Gratuity (Funded)	PRMB	(Non Funded)	
			Earned Leave	Half Pay Leave
Less than 1 year	497.75	930.06	179.53	88.37
Between 1-2 years	169.92	1,079.92	77.86	34.66
Between 2-3 years	151.45	1,105.24	63.04	29.85
Between 3-4 years	192.45	1,166.25	74.90	31.23
Between 4-5 years	93.38	1,242.10	46.31	19.12
Over 5 years	766.10	5,853.23	468.97	165.91

Maturity Profile of Defined Benefit Obligations  
As on 31.03.2021

(Rs. Lacs)

Year of payment	Gratuity (Funded)	PRMB	(Non Funded)	
			Earned Leave	Half Pay Leave
Less than 1 year	760.99	912.17	194.11	73.07
Between 1-2 years	216.30	1,103.26	115.23	23.66
Between 2-3 years	157.30	1,177.25	58.43	20.57
Between 3-4 years	165.49	1,292.83	76.85	22.41
Between 4-5 years	157.83	1,434.27	55.72	28.68
Over 5 years	778.97	5,541.40	468.09	206.10

**47. Disclosure in respect of Indian Accounting Standard 24 "Related Parties Disclosures"**

**a. List of Related Party**

(ii) **Joint Ventures:** N.S.S Satpura Agro Development Company Limited

(iii) **Others:** Sealac Agro Ventures Ltd.

**b. Key Managerial Personnel (KMP)**

Name	Designation	Remarks
Shri SK Sharma	Director-Personnel	Additional Charge of CMD w.e.f.01.08.2020
Shri. NAN Jayakumar	Director-Marketing	w.e.f 12.06.2019
Shri. Kapil Kumar Gupta	Director- Marking (MMTC)	Additional Charge of STC w.e.f. 03.06.2020
Smt. Rooma Nagrath	Chief Financial Officer	w.e.f. 21.12.2018
Shri. DP Mishra	Chief General Manager	w.e.f 03.03.2021
Shri. S.K. Meena	Joint General Manager	w.e.f 03.03.2021
Shri. Brijesh Prasad	Joint General Manager	w.e.f 03.03.2021
Shri. Sanjeev Puri	Joint General Manager	w.e.f 03.03.2021
Shri AK Swain	Deputy General Manager	w.e.f 03.03.2021
Shri B.S Rao	Chief Financial Officer	w.e.f 12.02.2022
Shri Vipin Kumar Tripathi	Company Secretary	w.e.f. 20.12.2019

**c. Post Employment benefit plans**

1 The STC of India Ltd. Employees Provident Fund Trust.

2 The STC of India Ltd. Gratuity Fund Trust.

3 STC Employees Defined Contribution Superannuation pension trust.

**d. Entities under the control of the same Government**

The company is a Central Public Sector Undertaking (CPSU) controlled by Central Government by hold majority of shares (refer note no. 18), Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The company has applied exemption available for government related entities and has made limited disclosure in the financial statements. Such entities with which the Company has significant transactions include but not limited to Ministry of Fertilizers and chemicals.

**i) Transactions with the related parties are as follows:**

Subsidiaries and Joint Venture Companies Particulars	Subsidiaries		Joint Venture Companies	
	2021-22	2020-21	2021-22	2020-21
Rent Received (Rs. Lacs)	0.02	0.02	NIL	

Compensation to Key Management Personnel (Rs. Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
- Short-term Employee benefits	183.69	140.91
- Post-employment benefits	179.34	10.43
- Termination benefits	-	-
- Other long-term benefits	19.26	5.92
<b>Total</b>	<b>382.30</b>	<b>157.25</b>

Particulars	The STC of India Ltd. Employees		STC Employee Defined Contribution		The STC Gratuity Fund Trust	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
STC Contribution for the year	172.87	271.00	125.42	224.61	-	-
Outstanding Balance at the end of the Year with STC	39.69	39.87	15.06	15.83	195.03	22.60

**Transactions with the Related Parties under the control of the same Government**

S. No.	Name of the Govt. Deptt. / Govt. entity	Nature of relationship with Entity	Nature of	(Rs. Lacs)	
				2021-22	2020-21
1	SBI Personalised Banking Branch	Govt	Rent+CMC	183.25	204.32
2	SBI IFB Branch	Govt	Rent+CMC	729.68	729.68
3	SBI CAG Branch	Govt	Rent+CMC	643.02	643.02
4	SBI Overseas Branch	Govt	Rent+CMC	921.99	921.99
5	Special Protection Group	Govt	Rent+CMC	31.44	30.68
6	Security Printing & Minting Corporation	Govt	Rent+CMC	583.91	574.53
7	IRCTC	Govt	Rent+CMC	19.24	19.24
8	Office of Chief Comptroller	Govt	Rent+CMC	361.85	253.98
9	IBEF	Govt	Rent+CMC	-	101.09
10	NOIDA SEZ	Govt	Rent+CMC	-	30.44
11	15th Finance Commission	Govt	Rent+CMC	-	594.23
12	Department of admist. Reform and Public gravience	Govt	Rent+CMC	1,479.09	493.03
13	Department of Economic Affairss	Govt	Rent+CMC	588.31	23.34
14	NCLT	Govt	Rent+CMC	280.04	280.04
15	ONGC	Govt	Rent	210.99	210.99
16	Commission of Air Quality Index	Govt	Rent+CMC	621.80	-
17	DOPT	Govt	Rent+CMC	723.88	-

**ii) Outstanding balances with related parties are as follows: (Rs. Lacs)**

Particulars	March 31, 2022	March 31, 2021
<b>Amount recoverable towards loans :</b>		
- From Subsidiaries		
- From Key Managerial personnel		
- From Others		
	NIL	

<b>Amount recoverable other than loans :</b>		
- From Subsidiaries	0.02	0.02
- From Joint Ventures	NIL	
- From Key Managerial personnel		
- From Post employment benefit plans		
<b>Amount Payable</b>		
- From Subsidiaries	NIL	
- From Joint Ventures		
- From Others		

iv) **Terms and conditions of transactions with the related parties**

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

h. **Commitments to Related Parties need to be given**

48. **DISCLOSURE AS PER IND AS 27 'SEPARATE FINANCIAL STATEMENTS'**

a) **Investment in Subsidiaries:**

Company Name	Country of Incorporation	31st March 2022	31 <sup>st</sup> March 2021
STCL Limited	India	100%	100%

b) **Investment in Joint Venture Entities/Associates:**

Company Name	Country of Incorporation	Proportion of Ownership	
		31st March 2022	31 <sup>st</sup> March 2021
NSS Satpura Agro Development Company Limited	India	25%	25%
Richfield Aquatech Ltd.	Investment have been written off in earlier years		
Blue Gold Maritech Ltd.			
Indopirin Gloves Limited.			

49.1 **As lessee**

Particulars	For the year ended	For the year ended
Depreciation charged for right to use asset	-	40.33
Interest expense on lease liability	-	1.92
Expense related to short term lease (less than 12 months)	-	-
Income from sub leasing right to use assets	-	-
total cashoutflow for leases	-	1.92
additions to right to use assets	-	-
gain or losses arising from sale and leaseback transactions	-	-
the carrying amount of right to use assets at the end of reporting period by class of underlying asset	-	329.65

49.2 **As lessor**

a) **Future minimum lease payments under non-cancellable operating leases are receivable as follows:**

(Rs. Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Within less than 1 year	NIL	
Between 1 year and 5 years		
After more than 5 years		

**Payments recognised in Statement of Profit & Loss**

(Rs. Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Income - generating property	6,655.99	4,724.21
Vacant Property		
Self Occupied Property		



**THE STATE TRADING CORPORATION OF INDIA LTD.**  
**Notes to Accounts for the year ended March 31st, 2022**

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

a) **Basic EPS**

The earnings and weighted average number of ordinary shares used in the calculation of basic EPS is as follows:

(Rs. Lacs)		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Face Value Per Equity Share (Rs.)	10	10
Profit (loss) for the year, attributable to the owners of the company (A)	(8,837.48)	(4,769.23)
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	600.00	600.00
<b>Basic EPS (A/B)</b>	<b>(14.73)</b>	<b>(7.95)</b>

b) **Diluted EPS**

The earnings and weighted average number of ordinary shares used in the calculation of Diluted EPS is as follows:

(Rs. Lacs)		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit (loss) for the year, attributable to the owners of the company (A)	(8,837.48)	(4,769.23)
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	600.00	600.00
<b>Diluted EPS (A/B)</b>	<b>(14.73)</b>	<b>(7.95)</b>

51 **Dividends**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) No. of Equity Shares (in Lacs)	600.00	600.00
(ii) Dividends not recognised at the end of reporting period.	-	-

52 **Assets Pledged as Security**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current/Non-current	NIL	
Financial/Non-Financial Assets	NIL	
First Charge/Floating Charge	Trade Receivables of the company	

**Notes of Holding Company:-**

53 **Balance confirmations & Reconciliation**

Balance of certain receivables & payables (including in certain cases direct and indirect taxes) are subject to confirmation/reconciliation

#### 54 Non-Going Concern

Consequent upon the decisions taken in the meeting held on 29.08.2019, by the administrative ministry and further decision of the Board in its 639th meeting dated 05.04.2021, it has been resolved that STC to continue as a non-operating company for the time being and to prepare the accounts from the F.Y. 2021-22 onward on non-going concern basis for the first time. Therefore the current year figures are not comparable with that of the previous year because accounts for FY 2020-21 were prepared on a going concern basis and the same has not been reclassified.

55 STC got a plot land at Mallet Bunder belonging to MBPT on lease for a period of 30 years. On the land leased there were three constructed oil storage tanks along with other required infrastructure. The lease period had already expired on 17.10.2016. On expiry initially STC was seeking extension of lease of plots with MbPT and consequent upon decision to stop trading activities by STC, we have written to MbPT on 10.07.2020 for surrendering of said plots. Subsequently, the surrender certificate was executed on 12.11.2021.

As regards 02 cases (EO/E-275 of 2018 dated 10.05.2019 and EO/E-274 of 18.04.2019) filed by MbPT against STC before the H'ble estate officer, STC has requested MbPT to settle the dispute through AMRCD mechanism which is binding on STC as well as on MbPT. On 18.04.2022 MbPT sought time to obtain approval for considering the STC's proposal for considering the STC's proposal for referring the matter to AMRCD for the settlement of dispute. NDOH is 24.05.2022.

The tanks installed at Mallet Bunder has been surveyed by the MbPT and three tank farms, Machinery way leave, Pipelines and other assets as per inventory (handed over on as is where is basis) with an understanding that the value of the same shall be adjusted and paid to STC. Hence, appropriate treatment will be effected upon arrival of such valuation..

**For Bhatia & Bhatia**  
Chartered Accountants  
Firm Reg. No. 003202N

sd/-  
**(K.K. Gupta)**  
Director Finance -MMTC  
Additional Charge of STC,  
DIN -08751137

sd/-  
**(S.K CHAWLA)**  
Independent Director  
DIN -09400987

sd/-  
**(CA. R. Bhatia)**  
Partner  
M. No. 017572

sd/-  
**(VIPIN TRIPATHI)**  
Company  
Secretary  
ACS - 29378

sd/-  
**(B S Rao)**  
CFO

Place: New Delhi  
Dated: 27.05.2022  
UDIN:22017572AJTQFW2048

**MANAGEMENT REPLIES TO THE OBSERVATION OF STATUTORY AUDITORS  
ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE FINANCIAL YEAR 2021-22**

S. No.	Observation of the Statutory Auditor	Management Replies
<b>A</b>	<b>Basis for Qualified Opinion</b>	
<b>1</b>	<p><b>Non -Current Assets held for Sale</b></p> <p>i) We draw your attention to Note No. 2(ii) regarding management decision to continue the group as non-operating group for the time being and to prepare the accounts from the financial year 2021-22 onwards as per non-going concern basis. Thus, there has been change in the significant accounting policies of the Group and the presentation of financial statements.</p> <p>As per Note No. 3.1 (e) in the Notes to accounts it is further stated that the financial statements for the year 2021-22 have been prepared on realization basis (non-going concern assumption) and the non-current assets have been classified as held for sale. Therefore, all the assets held for sale have been carried at their estimated realizable values. However, all the non-current assets held for sale i.e. Property, Plant and Equipment in absence of any report for realizable value have been stated at their respective historical values/carrying values as per books of accounts as on 31.03.2022 and not on realization basis. This is non-compliance of the accounting policy No. 3(e) of the Group and we are unable to comment upon the impact of the same on the financial statements.</p> <p>Further there is also non-compliance of requirements of INDAS-105.</p> <p>As per IND AS-105, "Non -Current Assets held for Sale and Discontinued Operations", it requires that asset that meet the criteria to be held for sale should be measured at lower of carrying amount and fair value less costs to sell and to be separately presented in the Balance Sheet and also result of discontinued operations to be presented separately in the Statement of Profit and Loss.</p> <p>However, no fair value estimation of the non-current assets held for sale have been carried out as on 31st March,2022 but is said to be under process. Thus, there is also non-compliance of IND AS 105 applicable to the Group.</p>	<p>In the year 2019-20, the valuation effect was taken into account on a conservative basis. Further, consequent to the adoption of accounting policy on non-going concern basis in FY 2021-22, Valuation for immovable assets will be conducted during FY-2022-23.</p> <p>Further there is also non-compliance of requirements of INDAS-105.</p> <p>As per IND AS-105, "Non -Current Assets held for Sale and Discontinued Operations", it requires that asset that meet the criteria to be held for sale should be measured at lower of carrying amount and fair value less costs to sell and to be separately presented in the Balance Sheet and also result of discontinued operations to be presented separately in the Statement of Profit and Loss.</p> <p>However, no fair value estimation of the non-current assets held for sale have been carried out as on 31st March,2022 but is said to be under process. Thus, there is also non-compliance of IND AS 105 applicable to the Group.</p>
	<p>ii) Refer to Note No.4(a) of Standalone Financial Statements, non-availability of title deeds in the name of the company in respect of following properties namely:</p> <p><b>a) Leasehold Building</b></p> <p>I. Leasehold land at Jawahar Vyapar Bhawan valued at Rs. 55,929 lacs</p> <p>ii. Leasehold land at Housing Colony at Aurobindo Marg valued at Rs. 12,394 lacs</p> <p>iii. Plot at Mallet Bunder, Mumbai Port Trust valued at Rs. 1167 lacs</p> <p><b>b) Freehold Building</b></p> <p>I. 8 Residential Flats at Asian Games Village Complex, allotted by DDA amounting to Rs. 2720 lacs.</p> <p>ii. 7 apartments in different locations of Mumbai amounting to Rs. 1918 lacs</p>	<p><b>(a) Jawahar Vyapar Bhawan &amp; STC Housing Colony, Malviya Nagar:</b> Since there are some dues payable to L&amp;DO and DDA, efforts are being made to settle the same under the directions of MOC&amp;I. Moreover, MOC&amp;I is also taking up the matter directly with L&amp;DO. Title deeds when received shall be made available.</p> <p>(a) (iii) STC got a plot of land at Mallet Bunder belonging to MBPT on lease for a period of 30 years. On the land leased there were three constructed oil storage tanks along with other required infrastructure. The lease period had already expired on 17.10.2016. On expiry initially STC was seeking extension of lease of plots with MbPT and consequent upon decision to stop trading activities by STC, we have written to MbPT on 10.07.2020 for surrendering of said plots. Subsequently, the surrender certificate was executed on 12.11.2021.</p> <p>(b) (i &amp; ii) With regard to AGVC and Mumbai R.O. are leasehold properties and the title deeds are not available.</p>

	<p>Further, lease period for plot at Mallet Bunder, Mumbai Port Trust has already expired and the land has been handed over to Mumbai Port Trust. Surrender certificate has been executed on 12.11.2021. But this still continues to be shown as non-current assets held for sale. Thus, non-current assets held for sale has been overstated by Rs. 1167 lacs. It will also have consequential impact on the Statement of Profit and Loss account resulting into understatement of loss by Rs. 1167 lacs.</p> <p>Further the farm tanks installed at Mallet Bunder amounting to Rs. 14.84 lacs have also been handed over on as is where is basis. The group has not raised any debit note for the same and thus non-current assets are being overstated by Rs. 14.84 lacs.</p> <p>Further, group has not amortised the value of the leasehold properties according to the IND AS 116 for the period expired till 31.03.2022 resulting into overstatement of non-current assets held for sale and consequential impact on loss of the group, the amount whereof could not be quantified in absence of complete data from the Group.</p>	<p>STC got a plot land at Mallet Bunder belonging to MBPT on lease for a period of 30 years. On the land leased there were three constructed oil storage tanks along with other required infrastructure. The lease period had already expired on 17.10.2016. On expiry initially STC was seeking extension of lease of plots with MbPT and consequent upon decision to stop trading activities by STC, we have written to MbPT on 10.07.2020 for surrendering of said plots. Subsequently, the surrender certificate was executed on 12.11.2021.</p> <p>The tanks installed at Mallet Bunder has been surveyed by the MbPT and three tank farms, Machinery way leave, Pipelines and other assets as per inventory (handed over on as is where is basis) with an understanding that the value of the same shall be adjusted and paid to STC. The valuation report is still pending, hence, appropriate treatment will be effected upon arrival of the report.</p>
	<p>iii) Refer Note No. 4, for non-adjustment of value/area in Fixed Assets Register against areas acquired by Delhi Metro Rail Corporation (DMRC) for construction of Metro Station &amp; by L&amp;DO for widening of the Road during Asian Games, as well as the flats/area of land sold by the group to The Handicrafts and Handloom Exports Corporation of India Limited (HHEC) for its Housing colony. Management is in correspondence with DMRC and concerned departments.</p> <p>This has resulted into overstatement of non-current assets held for sale and consequential impact on loss of the group, the amount whereof could not be quantified in absence of complete data from the Group.</p>	<p>This observation has been repeated since previous years. 325.685 square meters taken by NDMC for widening of roads during Asian Games and 388.91 square meters taken by DMRC for construction of Metro / Metro Station out of the total leasehold land allotted by L&amp;DO to STC for construction of office building at (Jawahar Vyapar Bhawan) Tolstoy Marg, Janpath, New Delhi. The Company has taken up the matter with L&amp;DO for reduction of both the area and the records will be updated in Fixed Assets register/Schedule in respect of its area &amp; after receipt of response. The response of L&amp;DO is still awaited.</p> <p>Further, the matter is being followed up with L&amp;DO. Division is taking requisite action through regular follow-up. If matter is not resolved, STC may have to take AMRCD/ legal measures.</p> <p>As per STC's Board's decision dated 31.01.1975, 64 nos. of flats were sold to HHEC. The necessary accounting treatment was done in the year 1975-76 itself.</p>
<p><b>2</b></p>	<p><b>Trade Receivables</b></p> <p>All trade receivables amounting to 1,69,419.41 lacs as per Note No. 9 have been outstanding for more than 3 years. The Group has made provision for bad and doubtful debts amounting to Rs. 62,727.62 lacs and another sum of Rs. 67,833.68 lacs have been shown as "Having Significant increase in credit risk" since the same is under litigation. As per Note No.9, it is explained that no provision has been made for the same since the relevant creditors will be paid only after recovery of these trade receivables, though in most of the cases agreements are not tripartite. Further there has been no recovery during the Financial Year 2021-22 and there is no major update of legal cases which are pending at various forums. Thus trade receivable do not seems to be stated at realisable value less cost to be incurred to recover these trade receivables. There is also no balance confirmation available for these trade receivables as on 31.03. 2022 and hence we are unable to comment upon the genuineness and effect of the same on the financial statements, if any.</p> <p>We are of the view that all trade receivables amounting to 1,69,419.41 lacs are considered doubtful of recovery resulting into short provision for doubtful debts amounting to Rs. 1,06,691.79 lacs. Thus the provision for bad and doubtful debts has been understated by Rs. 1,06,691.79 lacs and consequential impact on the statement of profit</p>	<p>Balances of trade receivables, trade payables and liabilities are being reconciled after completion of each transaction and the accounts are settled with the party. However, confirmation in respect of trade receivables and trade payables under litigation is not available at this stage, as it may be used against STC by the other party.</p> <p>Out of the total trade receivable of Rs. 1,69,419.41 lacs includes Rs. 67,833.68 lacs "having significant increase in credit risk" being under dispute/litigation.</p> <p>The company feels that even if no amount would eventually be recovered, no credit impairment is required for the credit risk since the creditor will be paid by the company only to the extent the amount is realized from the debtors.</p> <p>Further, this is a trading arrangement continuing since last many years. Since STC has already lodged its claim in the court and the matter are sub-judice, required provision shall be made after decision of the court.</p> <p>This observation has been repeated since previous years. Trade receivables include Rs. 56,844 Lacs (approx.) on account of export of pharma products to foreign buyers purchase</p>

	<p>and loss account resulting into understatement of loss by Rs. 1,06,691.79 lacs.</p> <p>Further in case of M/s Rajat Pharmaceuticals Ltd (RPL), under note no.39, who drew bills of exchange on STC which were accepted upon receipt of overseas buyer's pre-acceptance to STC's bills of exchange. However, the foreign buyers defaulted in making payments against the export bills and have gone into liquidation. A sum of Rs.527.86 crores has been admitted by the liquidator of one of the foreign buyer's i.e. Loben Trading Co. Pte. Ltd, Singapore. A Decree of Rs 62.47 crores approx. has been passed by Hon'ble Bombay High Court in favour of STC against the dues from another foreign buyer i.e Sweetland Trading Pte Ltd., Singapore. As of current date, RPL has gone into liquidation and official liquidator is appointed by Hon'ble High Court of Bombay. The matter is also under investigation by CBI. Banks &amp; Financial institutions have filed legal suit against RPL before DRT making STC also a party to the case claiming Rs. 476.47 Crore. Also refer to Note No. 39, for matters other than RPL, as all these matters are sub-judice and/or under investigation of CBI and we are unable to comment upon the genuineness and effect of the same on the Financial Statements.</p>	<p>from M/s Rajat Pharmaceuticals Ltd". (RPL). RPL drew bills of exchange on STC which were also accepted upon receipt of overseas buyers pre-acceptance to STC's bills of exchange. The foreign buyers i.e. M/s Loben Trading and M/s Sweetland, defaulted in making payment against the export bills. A claim of Rs.52,786 Lacs has been admitted by the liquidator of one of the foreign buyer i.e. Loben Trading Co.Pte Ltd, Singapore . A Decree of Rs 6,247 Lacs has been passed by Hon'ble Mumbai High Court in favour of STC against the dues from foreign buyer i.e. Sweetland Trading Pte Ltd. However, one of them has gone into liquidation and official liquidator is appointed by Hon'ble High Court Mumbai. The matter is also under investigation by CBI. No provision is required against the same. Banks &amp; Financial institutions have filed legal suit against RPL before DRT making STC also a party to the case claiming Rs. 47,647 Lacs.</p>
<p><b>3</b></p>	<p><b>Borrowings</b></p> <p>i) Refer to Note No. 20 &amp; 55, the view of the default by the group in paying due to interest amount to the banks, STC was declared NPA. The lender banks have initiated DRT proceedings against the group. The memorandum of the OTS (MOTS) proposal with lender banks is still in progress and is in line with the minutes of the high-level meeting held in 29.08.2019 and the further clarificatory letter dated 13.10.2020 of the Administrative Ministry. The liability towards banks is proposed to be settled by the way of transfer of title of identified property worth Rs.300 crore on "as is where is basis" as a full and final settlement.</p> <p>However, as per the recent correspondence between Canara Bank (lead bank) and STC dated 22.04.2022, the lender bank has given two options to the latter: -</p> <ol style="list-style-type: none"> <li>1. Execution of equitable mortgage in favour of the lead bank at Delhi so that lenders can legally proceed for sale of properties mentioned in the Settlement Agreement with the authority to sell and realise the sale amount.</li> <li>2. As joint suit is pending before the DRT-II, Delhi, the lenders shall proceed before DRT in execution of the consent decree for the accepted OTS amount of Rs. 300 cr.</li> </ol> <p>The decision making is pending with STC to convey their acceptance of suitable option for moving the MOTS ahead subject to seeking opinion from senior Government advocate. Pending settlement of OTS, the group has not provided any interest further in its financial statements during 2021-22.</p> <p>ii) Considering the fact that correspondence has been made by Canara Bank and STC in respect of the MOTS of Borrowings, the Borrowings have been crystallized at Rs. 30,000 lacs on as is where is basis. However, contrary to this, borrowings have been reflected at Rs. 80,623.24 lacs as against 30000 lacs, thereby overstating the borrowings to the extent of Rs. 50,623.24 lacs. The management is of the opinion that the matter is still in discussion stage. This is also non-compliance of IND AS -109 as well as IND AS -10 (regarding events occurring after Balance Sheet date) by not taking into consideration the accounting effects of the events occurring after the balance sheet date regarding crystallization of bank loan amount at Rs. 30,000 lacs.</p>	<p>In this connection, STC has obtained a legal opinion from Mr. Uday Gupta, Advocate Supreme Court of India wherein he has opined as under:-</p> <p>"STC can issue a Board Resolution in favor of the banks authorizing the banks to negotiate the aspect of sale / auction of the identified properties on behalf of STC. On the strength of the Board Resolution, the identified properties can be put to sale / auction immediately. The sale consideration so received would stand to the credit of the banks. The language of the Resolution would need to be drafted with consent of all parties to secure respective interests and avoid any confusion at any point of time."</p> <p>Further, STC has also obtained another legal opinion from Ms. Aishwarya Bhati, Ld. ASG who has further endorsed the opinion of Adv. Uday Gupta, stating that Board Resolution, would be best suited to protect the interests of both parties and also to have an amicable closure to a long-standing dispute.</p> <p>In reply the lead banker Canara Bank has vide letter dated 27.07.2022 concurred with the opinion by M/s Uday Gupta &amp; Associates along with two modifications in the draft MOTS, which are as under:</p> <ol style="list-style-type: none"> <li>1. That the account of STC will continue as settled account in their books till the sale proceeds of the entire identified properties are recovered and adjusted and balance written off. (pg 6, 1st para)</li> </ol> <p>That banks will withdraw the pending DRT suit after realization of the balance OTS amount as agreed. (pg 5, 1st para).</p> <p>Matter has been forwarded to our legal counsel Mr. Uday Gupta for his opinion on the above letter from Canara Bank and reply is still awaited and matter also forwarded to OTS committee of STC.</p>

4	<p><b>Foreign Currency Receivables and Payables</b> Currently, as per books of accounts, USD 3,149.35 lacs and Euros 20.90 lacs is receivable from its foreign buyers and USD 1665.41 lacs and Pound 0.04 lacs is payable to its foreign suppliers. In nutshell, there are foreign buyers and creditors standing in the financials of STC which have not been revalued in the FY 21-22, the potential impact of which is huge.</p> <p>Thus, the Group has not complied with Ind AS 21 (regarding Effects of Changes in Foreign Exchange) by not revaluing the carrying amounts, in most cases, of foreign currency receivables and payables which are under litigation/disputed.</p> <p>Therefore, we are unable to ascertain the potential impact on the financial statements, if any.</p>	<p>This observation has been repeated since previous years. The company has complied the requirements of IND AS 21, regarding effects of changes in foreign currency as on balance sheet dated. However, this pertains to cases under litigation and had been fully provided in earlier years and the carrying amounts are under dispute. The company has filed legal cases for such outstanding balances for both receivables and payables.</p>										
5.	<p><b>Deferred tax Assets (Net)</b> Refer Note No. 12 &amp; 55, the Group has MAT credit of Rs. 1347.81 lacs. However, there is no virtual certainty of profits in the future considering the high value of contingent liabilities, significant decrease in the sales value, negative net worth of the Group and decision of the board of directors regarding Non operative status of the Group dated 05.04.2021. This observation was also raised by the CAG auditors for the FY 2020-21. But still the MAT credit has not been reversed and this has resulted into understatement of loss by 1347.81 lacs and overstatement of Current assets by Rs. 1347.81 lacs.</p>	<p>The credit of MAT can be utilized by the company in the subsequent year(s) as mentioned in the table below. :</p> <table border="1" data-bbox="900 642 1378 957"> <thead> <tr> <th>A.Y. in which MAT cr was created</th> <th>Amount (Rs. Lacs)</th> </tr> </thead> <tbody> <tr> <td>2014-15 (Credit available up to Financial Year 31.03.2025)</td> <td>401.08</td> </tr> <tr> <td>2016-17 (Credit available up to Financial Year 31.03.2027)</td> <td>758.82</td> </tr> <tr> <td>2017-18(Credit available up to Financial Year 31.03.2028)</td> <td>187.91</td> </tr> <tr> <td><b>Total</b></td> <td><b>1,347.81</b></td> </tr> </tbody> </table> <p>The MAT credit of Rs. 13.48 crore can be adjusted against the tax liability as per normal provisions of the Income Tax Act, 1961 which may arise in coming years on account of increased rental income and the pending OTS.</p>	A.Y. in which MAT cr was created	Amount (Rs. Lacs)	2014-15 (Credit available up to Financial Year 31.03.2025)	401.08	2016-17 (Credit available up to Financial Year 31.03.2027)	758.82	2017-18(Credit available up to Financial Year 31.03.2028)	187.91	<b>Total</b>	<b>1,347.81</b>
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6	<p><b>Other Current Assets</b></p> <p>i) Refer Note No. 14 –“Other Current Assets for non-provisioning in respect of Duties and taxes recoverable , CST (coal ) amounting to Rs. 6.89 lacs which is non recoverable and still not written off.</p> <p>ii) Refer Note No. 11- Other Financial Assets -Claims Recoverable for non-provisioning in respect of Claims Recoverable o/s since last many financial years amounting to 1613.43 lacs where no present status could be ascertained by the management of the Group and still not written off.</p> <p>This is non-compliance of IND AS -36 as no provision has been made for impaired assets.</p> <p>All these current assets are being reflected at their carrying amounts instead of on realization values.</p> <p>This has resulted into overstatement of Current assets by Rs. 1,620.32 lacs and understatement of loss by Rs. 1,620.32 lacs.</p>	<p>The matter pertains to AY 2014-15. The order for refund has been issued, and the same is being followed up by R.O.</p> <p>Out of the claims recoverable of Rs. 1613.43 lacs, major components are Rs. 547.75 lacs pertains to CCIC (co-owner) and Rs. 728.32 lacs pertains to HHEC (co-owner) for which regular follow up is being done by concerned division on a regular basis. Provision of Rs 33.04 lacs &amp; Rs 476.47 lacs has been earlier provided for CCIC &amp; HHEC respectively.</p> <p>Rs 118.43 lacs pertains to SBI-IFB, Overseas, CAG &amp; GF, said amount was attached by honorable court in the matter of STCL, of which Rs. 24.17 lacs have been provided for against SBI GF.</p> <p>Rs. 94.56 lacs pertains to TRAI which is fully provided for.</p> <p>Rs 87.14 lacs pertains to BIFR and against this provision of Rs 31.80 lacs has already been provided.</p> <p>The same shall be followed up at AMRCD / legal platform.</p>										
7	<p><b>Provisions</b> Refer Note No. 38, for non-provision of a demand of Rs. 4,743 lacs out of total demand received from Land and Development Office - New Delhi amounting to Rs. 13,283 lacs (for the period March, 2004 to July, 2018) which has resulted in understatement of loss by Rs 4,743 lacs and understatement of liabilities. However, it has been shown as contingent liability. Also, group has not provided for interest accruing on the said demand amount (to be calculated at the rate of 10%) approx. The matter is under correspondence with L&amp;DO office and no provision is</p>	<p>With a view to obtain updated demand as on date, STC officials visited L&amp;DO on 18.05.2022 in connection with outstanding demand of Rs. 132.83 crore raised by L&amp;DO, wherein, L&amp;DO asked to send written request seeking the same. In addition, L&amp;DO stated that assessment with regard to raising such demand they have their own parameters. STC vide letter dated 20.05.2022 and 22.06.2022, has requested L&amp;DO to give the updated liability as on date towards JVB, the reply from L&amp;DO is yet to be</p>										

7	made for the year 2021-22 in the accounts.	received. In addition, department of commerce vide letter dated 13.07.2022, has also taken up the issue with L&DO. The reply from L&DO is yet to be received.														
8	<p><b>Trade Payables</b> All the trade payables amounting to Rs. 1,11,960 lacs are without any balance confirmation and are outstanding for more than 3 financial years. No amount is payable to these parties as these are suppliers who have entered into legal agreement with STC wherein no amount is payable to them until and unless the amount is recovered from the foreign buyer. Thus, the management has not accorded any treatment to these trade payables and to that extent, liabilities are overstated.</p>	This observation has been repeated since previous years. Balances of trade receivables, trade payables and liabilities are being reconciled after completion of each transaction and the accounts are settled with the party. However, confirmation in respect of trade receivables and trade payables under litigation is not available at this stage, as it may be used against STC by the other party.														
9	<p><b>Statutory Dues</b> <b>GST</b> The GST input receivable and payable balances are not reconciled by the Group as on March 31, 2022. No satisfactory data/explanation has not been furnished to us till the date of finalization of au-dit.</p>	Reconciliation of GST Input and Output balances carried out for the F.Y. 2021-22 to certain extent and accordingly, adjustment entries were passed. Reconciliation pertaining to prior years is under process and will be carried out in the current year i.e. FY 2022-23.														
	<p><b>Tax Deducted at Source</b> In respect of the TDS deducted by the tenants, Group has not accounted for the TDS reconciled with amount as appearing in Form 26AS available on the portal amounting to Rs. 20.19 lacs . It has been further observed that the Total TDS Default of 9.33 lacs is appearing on the Income Tax (TRACES) Portal. No provision has been made for this demand and also not disclosed as Contingent liability. Year wise bifurcation of the defaults is as under: -</p> <table border="1" data-bbox="389 1026 756 1213"> <thead> <tr> <th>Financial Year</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>2021-22</td> <td>14,680</td> </tr> <tr> <td>2020-21</td> <td>59,067</td> </tr> <tr> <td>2019-20</td> <td>1765</td> </tr> <tr> <td>2018-19</td> <td>17000</td> </tr> <tr> <td>Prior years</td> <td>8,39,824</td> </tr> <tr> <td><b>Total</b></td> <td><b>9,32,925</b></td> </tr> </tbody> </table> <p>We are, therefore, unable to comment upon the effect of the above in the Financial Statements relating to GST and TDS reconciliations not carried out.</p>	Financial Year	Amount	2021-22	14,680	2020-21	59,067	2019-20	1765	2018-19	17000	Prior years	8,39,824	<b>Total</b>	<b>9,32,925</b>	As per past practice, the TDS on rent receipts is considered as and when the same is realized. However, there is no financial implication, as the total amount recoverable from tenant is appearing under claims. When the amount is realized, the corresponding TDS shall be recognized and shown separately in books. The same is expected by the time of filing ITR. The TDS defaults are being taken up by the tax consultant for revising respective returns
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10	<p><b>Cash and Bank Balances</b> It has been observed from the Form 26AS -downloaded from the Income tax portal that Interest income from Canara Bank amounting to 4,15,593 on which TDS amounting to Rs. 41,559 has been deducted by the Canara Bank is appearing in the AIS. However neither the Income nor the TDS Receivable is booked in the books of accounts as the management does not have any details regarding this fixed deposit. Canara Bank has however informed on 26-05-2022 that this FDR does not belong to STC Limited. The matter is under correspondence and correction at the Bank level. Therefore, we are not able to comment upon the effect of this non accounting of Interest received and TDS thereof on the financial statement in the absence of complete details regarding this fixed deposit.</p>	The matter has been communicated to the bank, who have assured that the same shall be rectified from their end.														
11	<p><b>Unaudited Accounts of the Subsidiary</b> We did not audit the financial statements of subsidiary namely STCL Limited included in the financials of the Company where financial statements reflect total assets of 987.97 lacs as at March 31, 2022, total revenue of 813.56 lacs and net cash inflows amounting to 673.25 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by another auditor whose Signed Auditor's Reports have not been furnished to us by</p>	The review of Annual Accounts of STCL Limited for the period ending 31.03.2022 by its Statutory Auditor was completed on 06.05.2022. As per practice the reviewed accounts are placed before STCL's Board and on approval/adoption of accounts by Board, the signed copies of accounts are submitted to STC for consolidation purpose. However, in view of incomplete Board of STCL, duly reviewed accounts of STCL														

	<p>the Management. There are no full time Directors in the said Subsidiary and for this reason Audited Financial Statements cannot be adopted and signed.</p> <p>Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiary and our report in terms of subsection (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is qualified.</p>	<p>Limited instead of Board approved accounts were shared with STC for facilitating the consolidation of STCL's accounts with STC's accounts.</p> <p>STCL is awaiting appointment of directors by Government on the Board of the Company for conducting the Board Meeting and adoption of</p>														
	<p><b>Other Observations</b></p> <p>Refer Note No. 24, customer at credit includes amount payable to U.P. Government amounting to Rs 603 lacs. As informed by the management, Branch has made various other claims on U.P Government and accordingly dues of Rs. 3,911 lacs is recoverable from U.P. Government for which debit note dated March 10, 2014 was raised. However, the said claim was not recognized in the standalone financial statements of the branch till date, as its ultimate collection was not certain. In absence of information on acceptability of the said claim by the UP Government, we are unable to ascertain its possible impact, if any, on the standalone financial statements of the Group.</p> <p>It seems that the financial statements have not been prepared on realization basis as mentioned in the accounting policies. All non-current assets held for Sale and other current assets have been stated at their carrying amounts as appearing in the books of accounts without making any exercise by the management to determine the realizable value of each current asset.</p>	<p>This observation has been repeated since previous years. An amount of Rs. 603 lacs payable to U.P Government is adjustable against outstanding claims from UPGEWC on account of (i) differential of import price and amount realized on risk sale of 9555.285 MTs Lemon Tur and (ii) interest and carrying charges, amounting to Rs. 3,911 lacs which is under dispute and shown as contingent assets.</p> <p>Further, STC has been continuously following up the recovery matter with Government of Uttar Pradesh and has now filed its petition on 28.01.2022 for resolution of its dispute through AMRCD mechanism. Department of Commerce has informed that the AMRCD committee has been constituted and the First meeting of the AMRCD committee will be scheduled in due course.</p>														
	<p><b>The impact of the following observations is not ascertainable</b></p>															
	<p>i) Refer to Cases and Disputes and matters under Litigation and amounts covered under Contingent Assets and Contingent Liabilities, since majority of the matters are subjudice, it is not possible to quantify the liabilities and the interest obligation if any on these cases.</p>	<p>The same shall be reviewed in the F.Y. 2022-23.</p>														
	<p>ii) Refer to Claims recoverable from HHEC, co-owner to the property at Jawahar Vyapar Bhawan, who have not paid their share of expenses to STC since last many years amounting to Rs. 728.31 lacs as on March 31,2022. The matter is said to be under correspondence with HHEC.</p>	<p>The issue is being followed up regularly with HHEC.</p>														
	<p><b>Emphasis of Matters</b></p>															
	<p>a) Refer Note No. 38(ii), Contingent Liabilities which includes an amount of Rs. 1.33 Crores in respect of pending sales tax liability. The Group has not complied in carrying out corrective actions as suggested by Government Audit Party (GAP) for F.Y. 2014-15 in the accounts as on 31st March, 2016 and for F.Y. 2015-16 in the accounts as on 31st March, 2017 amounting to Rs. 0.19 Crores and Rs. 1.11 Crores respectively.</p>	<p>This observation has been repeated since previous years.</p> <p>The GAP half-margin pertaining to Mumbai R.O. on the said matter was regarding not writing back of the credit balance of many parties including the five parties totaling to the amount of Rs. 1.30 crore. But since the sales tax cases against those five parties are still going on, the credit balance of Rs. 1.30 crore has to be kept in books against any future liability and hence has not been written back.</p> <p>Further, as informed by Mumbai R.O., there is no change in the status of the cases.</p> <table border="1" data-bbox="927 1763 1377 1974"> <thead> <tr> <th>Name of Party</th> <th>Amount Rs. (crore)</th> </tr> </thead> <tbody> <tr> <td>Space Vision Impex</td> <td>0.19</td> </tr> <tr> <td>Pranav Agro Industries Ltd.</td> <td>0.25</td> </tr> <tr> <td>Ganesh Benzoplast Ltd.</td> <td>0.20</td> </tr> <tr> <td>Thakkarsons Auto Ancillary(i) Pvt. Ltd.</td> <td>0.09</td> </tr> <tr> <td>Dunlop India Pvt. Ltd.</td> <td>0.57</td> </tr> <tr> <td>Total</td> <td>1.30</td> </tr> </tbody> </table>	Name of Party	Amount Rs. (crore)	Space Vision Impex	0.19	Pranav Agro Industries Ltd.	0.25	Ganesh Benzoplast Ltd.	0.20	Thakkarsons Auto Ancillary(i) Pvt. Ltd.	0.09	Dunlop India Pvt. Ltd.	0.57	Total	1.30
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	<p>b) Refers to Note No.38, in respect of litigation matters, their present status and provisioning, if any, required and on-going investigations into the alleged irregularities; further, the Group's past operations have exposed it to the risk of extensive litigation and contractual claims from third parties with increased litigation costs not fully provided for. Due to the range of potential outcomes, voluntary retirement of employees dealing with these cases and the significant uncertainty around the resolution of various claims, the amount of ultimate liabilities, if any, to be recorded in the statements as provision is not ascertainable.</p>	<p>The cases under litigation /investigation etc. are being appropriately disclosed under contingent liability. Each case is being assessed at the end of the reporting period on the basis of its merit. The suitable treatment in books of accounts will be made based on the outcome of the ongoing litigation.</p> <p>In case of any material changes arising in the factual position, the same shall be reviewed appropriately.</p>
	Annexure 'A' to Independent Auditor's Report	
i)	<p>Group is maintaining "Performance Management System", Payroll Software and "Leave Management System" which are not interfaced with each other as well as the accounting software. As a result of above, Manual Accounting entries are being made on periodical basis in the Tally ERP, Accounting software used by Group.</p>	<p>This observation has been repeated since previous years. The interlinking of different software currently maintained by the holding company can only be possible in case of ERP implementation. Due precarious financial condition and also due to non-going concern status of the holding company, such implementation is a distant possibility. However, manual intervention with regard to accounting entries in Tally software is restricted by the internal checks available in the software itself.</p>
ii)	<p>Lack of effective scrutiny of accounting ledgers as far as o/s liabilities/Claims recoverable/Security Deposits is seen as they are not updated.</p>	<p>The company is in the process of strengthening the same.</p>
iii)	<p>Manner of maintenance of Fixed Assets Schedule &amp; register need to be strengthened.</p>	<p>The company is in the process of strengthening the same.</p>
iv)	<p>Lack of proper contract management is noticed. Irrespective of completion of contracts the EMD/Security deposits are still being withheld in the books by the Group.</p>	<p>There is proper Contract Management and after completion of each contract the EMD/ security deposits are settled as per the contractual terms. As regards the security deposits and EMD's in hand the contracts which could not be undertaken, the Company is in process of refund the same consequent upon decision taken for STC being a non- operative company from the F.Y.2021-22.</p>
v)	<p>Lack of control over the renewal of Rent/lease Agreements on timely basis. There are numerous of agreements which have not been renewed over a long period.</p>	<p>All of the rent/lease agreements except IRCTC and Kakinada warehouse complex have been renewed with the tenants. The renewal of agreement with IRCTC is being pursued on regular basis. The renewal of agreement with in respect of Kakinada warehouse is under process.</p>
vi)	<p>Ineffective implementation of accounting policy in balance confirmation of trade receivable &amp; vendor balance, is noticed. The balances outstanding in the trade receivable account cannot be reconciled in customers' books as balance confirmations are not available for these customers.</p>	<p>This observation has been repeated since previous years. Balances of trade receivables, trade payables and liabilities are being reconciled after completion of each transaction and the accounts are settled with the party. Further, confirmation in respect of trade receivables and trade payables under litigation is not available at this stage, as it may be used against STC by the other party.</p>
vii)	<p>As there are no proper Full Time working Directors in the Group, and there is also lack of Senior management personnel in the Group, all decisions and matters requiring immediate attention are kept on hold and there is ineffective management control in the Group.</p>	<p>MANAGEMENT REPLIES TO THE OBSERVATION OF STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2021-22</p> <p>i. As there are no proper Full Time working Directors in the Group, and there is also lack of Senior management personnel in the Group, all decisions and matters requiring immediate attention are kept on hold and there is ineffective management control in the Group. Two full time</p>

		<p>working Directors were available for majority part of the FY 2021-22 in both the Company i.e. STC and its Subsidiary STCL Limited. It is to mention that Director (P), STC who was holding additional charge of CMD, STC and Chairman, STCL Limited superannuated on 31.01.2022 and Director (Marketing), STC who was holding additional charge of MD, STCL Limited superannuated on 30.04.2022. Presently, there is one Functional Director in STC i.e. Director (Fin.) (additional charge). Further, two (2) Government Nominee Directors and eight (8) Independent Directors are also on the Board of STC. As such, present strength of the Board of STC is more than the minimum number of directors (i.e. 4) for holding of any Board meeting. However, the Board of STCL Limited is incomplete since the superannuation of Director (P) and Director (Mktg.), STC.</p> <p>Since the appointments of CMD/MD and other Functional Directors are made with the approval of Appointments Committee of the Cabinet (ACC), therefore the matter of filling-up of vacant Board level posts in STC and STCL Limited has regularly been taken up with the Administrative Ministry, through various communications sent by STC to the Ministry from time to time. The matter has also been raised in the meetings held with the officials of Ministry in the recent past.</p> <p>In view of present circumstances, efforts are being made to handle urgent as well as day-to-day matters, wherever possible, with the available resources in the Company i.e. middle level management/lower level management. Some urgent matters which require approval of CMD/MD/Directors and immediate action is required to be taken, such matter are put up to Director (Fin.) (additional charge) / Board for approval and necessary direction, if any.</p>
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कार्यालय महानिदेशक लेखापरीक्षा  
उद्योग एवं कारपोरेट कार्य  
ए.जी.सी.आर. भवन, आई.पी.एस्टेट,  
नई दिल्ली- 110 002



OFFICE OF THE DIRECTOR GENERAL OF AUDIT  
INDUSTRY AND CORPORATE AFFAIRS  
A.G.C.R. BUILDING, I.P. ESTATE  
NEW DELHI- 110 002

संख्या: एएमजी-1/8(8)/एमटीसी/  
CFS (2021-22)/2022-23/233-34

दिनांक: 17 AUG 2022

सेवा में

मुख्य वित्त अधिकारी,  
दि स्टेट ट्रेडिंग कार्पोरेशन ऑफ इंडिया लिमिटेड,  
जवाहर व्यापार भवन, तोलस्टोय मार्ग,  
नई दिल्ली-110 001

विषय: कंपनी अधिनियम 2013 की धारा 143(6) (b) के साथ धारा 129 (4) के अंतर्गत 31 मार्च 2022 को समाप्त वर्ष के लिए दि स्टेट ट्रेडिंग कार्पोरेशन ऑफ इंडिया लिमिटेड के समेकित वार्षिक लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

अधिनियम 2013 की धारा 143(6) (b) के साथ धारा 129 (4) के अंतर्गत 31 मार्च 2022 को समाप्त वर्ष के लिए दि स्टेट ट्रेडिंग कार्पोरेशन ऑफ इंडिया लिमिटेड के समेकित वार्षिक लेखों (Consolidated Financial Statements) पर उपरोक्त विषय संबंधित संलग्न पत्र अग्रेषित है।

Further, the errors/deficiencies (half margin no. 6) pointed out during the course of audit have not been processed further on the basis of Management's assurance to correct the same at the time of printing of Annual Report. Therefore, it needs to be ensured by the Management that correct figures are printed in the Financial Statements. A copy of the corrected Financial Statements along with annual report may also be endorsed to this office.

भवदीय,

दीपक

(दीपक कपूर)

महा निदेशक लेखा परीक्षा  
(उद्योग एवं कारपोरेट कार्य)  
नई दिल्ली

संलग्नक:- यथोपरि

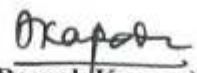
**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE STATE TRADING CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2022**

The preparation of consolidated financial statements of The State Trading Corporation of India Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) read with section 129 (4) of the Act is responsible for expressing opinion on the financial statements under Section 143 read with section 129 (4) of the Act, based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 26 July 2022 which supersedes their earlier Audit Report dated 27 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of The State Trading Corporation of India Limited for the year ended 31 March 2022 under Section 143(6)(a) read with section 129 (4) of the Act. We conducted a supplementary audit of the financial statements of The State Trading Corporation of India Limited (the Company) but did not conduct supplementary audit of the financial statements of STCI Limited (subsidiary)<sup>1</sup> for the year ended on that date. Further, section 139 (5) and 143 (6) (b) of the Act are not applicable to five Joint Venture Entities/ Associates (Annexure-I) being private entities for appointment of their Statutory Auditors and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

In view of the revision made in the statutory auditor's report, to give effect to two of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143 (6) (b) read with section 129(4) of the Act.

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



**(Deepak Kapoor)**

**Director General of Audit  
(Industry & Corporate Affairs)**

**New Delhi**

**Place: New Delhi**  
**Date: 17 AUG 2022**

<sup>1</sup> Annual accounts for FY 2021-22 have not yet been submitted by the subsidiary Company for C&AG audit as the same have not been approved by the Board and signed by the Statutory Auditor. Un audited accounts have been consolidated.

**Annexure –I**  
**Details of JVs/Associates being private entities**

<b>Sl. No.</b>	<b>Name of the entity</b>	
1	NSS Satpura Agro Development Company Limited	
2.	Richfield Equatech Limited	Investments have been written off in earlier
3	Blue Gold Maritech Limited	years and these are dormant/under
4.	National Tannery Company Limited	liquidation.
5	Indopirin Gloves Limited	



**THE STATE TRADING CORPORATION OF INDIA LIMITED**

**CIN: L74899DL1956GOI002674**

**Regd. Office: Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-110001**

**RE: Green Initiative in Corporate Governance: Go Paperless**

Dear Shareholders,

As you may be aware, the Ministry of Corporate Affairs, as a part of the Green Initiative in Corporate Governance, vide its Circular No. 17/2011 & 18/2011 dated 21.04.2011 and 29.04.2011, has allowed paperless compliance by Companies, which may now send various notices / documents, such as Notice of General Meetings, Annual Report, etc., to its Shareholders through electronic mode at their e-mail address registered with the Company.

Your Company welcomes the spirit of this green initiative, which will reduce paper consumption to a great extent and allow Shareholders to contribute towards a Greener Environment. This will also ensure prompt receipt of communication by Shareholders and avoid their loss / misplacement in postal transit. In this backdrop, we wish to intimate / request as under:-

Shareholders holding shares in demat form may register / update their e-mail ID with respective Depository – Participants, if not already done.

Shareholders holding share in physical mode may submit the appended E-COMMUNICATION REGISTRATION FORM, duly filled-in, at the address indicated therein. The said form is also available for download from our website, [www.stclimited.co.in](http://www.stclimited.co.in). Shareholders could also submit the said form by way of fax on 011-41709881 or by e-mailing a scanned copy to [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com).

Full text of notice / documents meant for general shareholders would also be made available on our website [www.stclimited.co.in](http://www.stclimited.co.in) for reference / download.

We are sure that you would appreciate the “Green Initiative” taken by MCA. We solicit your patronage and support in helping the Company to implement the e-governance initiatives of the Government. Please note, as a valued shareholder, you are entitled to demand and receive, free of cost a printed copy of the Annual Report of the Company and all other documents.

Best Regards,

Thanking you,  
Sd/-  
**(VIPIN TRIPATHI)**  
Company Secretary  
ACS -29378

**THE STATE TRADING CORPORATION OF INDIA LIMITED**



## E-COMMUNICATION REGISTRATION FORM

(Exclusively meant for Shareholders holding shares in physical form)

To,  
MCS SHARE TRANSFER AGENT LIMITED  
(UNIT: THE State trading Corporation of India Limited)  
F-65, 1<sup>st</sup> Floor,  
Okhla Industrial Are, Phase-I  
New Delhi-110020

RE:- Green Initiative in Corporate Governance  
Regd. Folio No.

Name of 1 <sup>st</sup> Registered Holder	
Name of Joint Holder/s 1. 2.	
Email ID to be registered	

I/We Shareholders, of THE STATE TRADING CORPORATION OF INDIA LIMITED, hereby agree receive all communications from the Company by way of an email, Please register my email ID in your records for sending communications through email.

DATE

Signature  
(First Holder)







**THE STATE TRADING CORPORATION OF INDIA LIMITED**

**CIN: L74899DL1956GOI002674**

**Regd. Office: Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-110001**

**Website: [www.stclimited.co.in](http://www.stclimited.co.in), email: [co@stclimited.co.in](mailto:co@stclimited.co.in)**

**Telephone: 011-23313177**

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**NOTICE**

Notice is hereby given that the 66<sup>th</sup> Annual General Meeting of The State Trading Corporation of India Limited will be held on **Friday, 30<sup>th</sup> September, 2022 at 11.00 A.M** through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) facility, to transact the following business:

**Ordinary Businesses:**

1. To receive, consider and adopt the Standalone & Consolidated Audited Financial Statement, containing Balance Sheet as at March 31, 2022, Profit & Loss Account and Cash Flow Statement of the Company, for the year ended March 31, 2022 together with the Report of the Board, Reports & Comments of the Auditors and Comptroller & Auditor General of India thereon and reply of the management thereto.
2. To appoint a Director in place of Shri Shashank Priya (holding DIN 08538400), who retires by rotation and being eligible, offers himself for re-appointment.
3. To authorize the Board of Directors of the Company to fix the remuneration of the Statutory Auditor of the Company and to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

"RESOLVED THAT in terms of the provisions of Section 139 (5) read with Section 142 (1) of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory Auditor of the Company appointed by Comptroller and Auditor General of India for the financial year 2022-23, as may be deemed fit by the Board."

By order of the Board of Directors  
The State Trading Corporation of India Limited

Registered Office:  
Jawahar Vyapar Bhawan,  
Tolstoy Marg, New Delhi-110001  
Date : 02.09.2022  
Place : New Delhi

sd/-  
**(Vipin Tripathi)**  
Company Secretary

## NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its General circular no. 2/2022 dated May 5, 2022 read with General circular no. 20/2020 dated May 5, 2020, circular no. 14/2020 dated April 8, 2020, circular no. 17/2020 dated April 13, 2020 and General Circular No. 02/2021 dated January 13, 2021 (collectively referred to as “MCA Circulars”) and Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12th May, 2020 and Circular No. SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated 15th January 2021 issued by the Securities and Exchange Board of India (“SEBI Circular”), permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the 66<sup>th</sup> AGM of the Company shall be held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. However, pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. Since this AGM is being held, pursuant to the MCA Circulars, through VC / OAVM, physical attendance of Members has been dispensed with. **Accordingly, the facility for appointment of proxies by the Members will not be available for the 66<sup>th</sup> AGM and hence the Proxy Form, Attendance Slip and Route map are not annexed to this Notice.** However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
3. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or Governing Body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered e-mail address to [fcspcjain@gmail.com](mailto:fcspcjain@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
6. The Members can join the e-AGM, 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice.
7. Up to 1000 members will be able to join the e-AGM on a First-in First-out (FIFO) basis.
8. No restrictions on account of FIFO entry into e-AGM will be there for large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
9. Brief resume of the Director seeking appointment/ re-appointment as mandated under Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 is annexed hereto

and form part of the Notice. The Director has furnished consent/declaration for his appointment/re-appointment as required under the Companies Act, 2013 and the rules made thereunder.

10. Since the Statutory Auditors of the Company (being a Government Company) are appointed by the Comptroller & Auditor General (CAG), the disclosures required as per Regulation 36 (5) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, are not applicable to the Company.
11. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, 23<sup>rd</sup> September, 2022** to **Friday, 30<sup>th</sup> September, 2022** (both days inclusive) for the purpose of Annual General Meeting.
12. Share transfer documents and all correspondence relating thereto, should be addressed to the Registrars and Share Transfer Agents of the Company - MCS Share Transfer Agents Limited (F-65, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi - 110020; Phone No: 41406149 ; Fax: 41709881; email ID: [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com)) who is also the depository interface of the Company with both NSDL and CDSL.
13. The Company has designated an exclusive e-mail ID, namely, [cs@stclimited.co.in](mailto:cs@stclimited.co.in) to redress shareholders'/investors' complaints/grievances. In case of any queries/ complaints or grievances, members may write at the above e-mail address.
14. Members are requested to immediately notify any change of address or updation of bank account particulars or other details to:
  - (i) their Depository Participants (DP) in respect of shares held in dematerialized form, and
  - (ii) the Company at its Registered Office or its Registrar & Share Transfer Agents, MCS Share Transfer Agent Limited, in respect of physical shares, if any, quoting their folio number.
15. Under Section 124 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company did not transfer any amount to the Investor Education and Protection Fund of the Central Government during 2021-22.
16. Further, pursuant to the provisions of section 124 (6) of the Companies Act, 2013 read with the IEPF Rules, 2016 as amended from time to time, the Company is mandated to transfer all the shares in respect of which dividends have not been paid or claimed for seven consecutive years or more, in the name of Investor Education and Protection Fund. The Company did not, transfer any Equity Shares to the Investor Education and Protection Fund of the Central Government during 2021-22.

Further, persons entitled to claim the dividend or the shares transferred to the IEPF in previous years, may claim the same from the IEPF Authority by following the prescribed procedure.
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the Registrars and Share Transfer Agents.

18. **Remote e-Voting:** Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
19. **Voting at the e-AGM:** Members who are not able to vote through remote e-voting may avail the e-voting system provided through CDSL portal.
20. In compliance with the aforesaid MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website [www.stclimited.co.in](http://www.stclimited.co.in), website of stock exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and also on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. [www.evotingindia.com](http://www.evotingindia.com).
21. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, M/s MCS Share Transfer Agents (MCS).
22. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Thursday, 29<sup>th</sup> September, 2022 through email on [cs@stclimited.co.in](mailto:cs@stclimited.co.in). The same will be replied by the Company suitably.
23. All documents referred to in the accompanying Notice shall be available for inspection electronically. Members seeking to inspect such documents can send an e-mail to [cs@stclimited.co.in](mailto:cs@stclimited.co.in)
24. Instructions for remote e-voting and e-voting during AGM and joining the AGM through VC/OAVM are as follows:

**A. VOTING THROUGH ELECTRONICS MEANS**

- I. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.

- II. The remote e-voting period begins on **Tuesday, 27<sup>th</sup> September, 2022 (09.00 A.M. IST)** and ends on **Thursday, 29<sup>th</sup> September, 2022 (05.00 P.M. IST)**. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22.09.2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- III. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- IV. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- V. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However, if he/she is already registered with CDSL for remote evoting then he/she can use his/her existing user ID and password for casting the vote.
- VI. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of Individual Shareholders holding shares in demat mode:**

- VII. In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b></p>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
<p>Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b></p>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

	<p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
<p>Individual Shareholders holding securities in Demat mode with <b>CDSL</b></p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33</p>
<p>Individual Shareholders holding securities in Demat mode with <b>NSDL</b></p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nSDL.co.in">evoting@nSDL.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>



**Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

**VIII. Login method for Remote e-Voting for Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - (i) For CDSL: 16 digits beneficiary ID,
  - (ii) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - (iii) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than Individual shareholders holding shares in Demat.</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li></ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"><li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li></ul>

IX. After entering these details appropriately, click on “SUBMIT” tab.

X. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- XI. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- XII. Click on the EVSN for the STC Limited on which you choose to vote.
- XIII. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- XIV. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- XV. After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- XVI. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- XVII. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- XVIII. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- XIX. There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- XX. Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs@stclimited.co.in](mailto:cs@stclimited.co.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**B. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

- I. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
- II. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- III. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
- IV. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- V. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- VI. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- VII. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
- VIII. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- IX. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
- X. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**C. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

- I. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
- II. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)

- III. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call at toll free no. 1800 22 55 33

#### **D. OTHER INSTRUCTIONS**

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
2. If you have any queries or issues regarding attending AGM & e-voting from the e-voting system, you may refer the ‘frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Shri Rakesh Dalvi, Sr. Manager, CDSL (022-23058542).
3. All grievances connected with the facility for e-voting by electronic means may be addressed to Shri Rakesh Dalvi, Sr. Manager, Central Depository Services(India) Limited, A-Wing, 25<sup>th</sup> floor, Marathon Futorex, Mafatlal Mill Compounds, N.M Joshi Marg, Lower Parel (East), Mumbai-400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 022-23058542/43.
4. The Board of Directors has appointed Shri P.C Jain, Partner M/s. P.C Jain & Co Company Secretaries, (C P No. 3349) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
5. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company, not later than 48 hours of conclusion of the Meeting, shall submit a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
6. The facility for joining the AGM shall open 15 minutes before the scheduled time for commencement of the AGM and shall be closed after the expiry of 15 minutes after such schedule time.
7. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.stclimited.co.in](http://www.stclimited.co.in) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of Results by the Chairman or a person authorized by him. The Company shall simultaneously forward the results to the National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.
8. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to individual shareholders. Members holding shares in physical form may nominate a person in respect of all

the shares held by them whether singly or jointly. Members who hold shares in individual name are advised to avail the nomination facility by filing form no. SH-13 in their own interest. Blank forms can be had from the Registrar and Share Transfer Agent or from the office of the Company on request. Members holding shares in dematerialised form may contact their respective DPs for registration of nomination.

9. Members holding physical shares in multiple folios in identical names are requested to send their share certificates to Company's Registrar and Share Transfer Agents for consolidation.
10. Pursuant to Section 139(5) read with Section 142 of the Companies Act, 2013, the Auditors of a Government Company are appointed or re-appointed by the Comptroller and Auditor General (C&AG) of India and their remuneration is to be fixed by the Company in the Annual General Meeting. The members may authorize the Board to fix up an appropriate remuneration of Auditors for the year 2021-22.
11. Members are requested to quote their Folio/DP & Client Identification No. in all correspondence with the Company/Registrar & Share Transfer Agents.
12. Shareholders holding shares in physical form are invited to contribute to the cause of Green initiative by registering their e-mail ID by submitting E-COMMUNICATION REGISTRATION FORM inserted in the annual report.
13. None of the Directors of the Company is in any way related with each other or other Key Managerial Personnel of the Company.

By order of the Board of Directors  
The State Trading Corporation of India Limited

Registered Office:  
Jawahar Vyapar Bhawan,  
Tolstoy Marg, New Delhi-110001

sd/-  
**(Vipin Tripathi)**  
Company Secretary

Date : 02-09-2022  
Place : New Delhi

**ANNEXURE TO NOTICE**

**DETAILS OF THE DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT**

<b>Name</b>	<b>Shri Shashank Priya</b>
<b>DIN</b>	08538400
<b>Date of Birth &amp; Age</b>	29.11.1965 56 years
<b>Date of Appointment</b>	19.08.2019
<b>Education</b>	MA, LLB
<b>Expertise in specific Functional area</b>	Shri Shashank Priya is a 1988 batch officer of the Indian Revenue Service and has about 33 years of experience in dealing with issues relating to indirect tax and WTO. He has worked on GST issues in various capacities like Commissioner (GST), Additional Director General (GST) and also as Joint Secretary in the GST Council. Currently he is Special Secretary & Financial Adviser in the Ministry of Commerce & Industry.
<b>Directorship held in other listed companies</b>	Three (3) Listed Companies i) H.M.T. Limited ii) Bharat Heavy Electricals Limited iii) MMTC Limited
<b>Membership / Chairmanship of committees in other listed companies</b>	<b>A) MMTC Limited</b>  i) Audit Committee, Member ii) CSR Committee, Member iii) Nomination & Remuneration Committee, Member  <b>B) Bharat Heavy Electricals Limited</b>  i) Audit Committee, Member ii) Stakeholders Relationship Committee, Member
<b>No. of Shares held</b>	Nil
<b>Terms &amp; Conditions of appointment / re-appointment</b>	As per order of Government of India
<b>Details of Remuneration</b>	Not Applicable
<b>No. of Board Meetings held during FY (during tenure)</b>	7
<b>No. of Meeting attended</b>	6