



प्रभाग  
DIVISION



दि स्टेट ट्रेडिंग कार्पोरेशन 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 15, 2020

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
---	---

**Sub: Unaudited Financial Results (Limited Reviewed) for the quarter  
ended on June 30, 2020**

**Dear Sir/Madam,**

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that the Board of Directors of the Company had, at its meeting held today i.e. September 15, 2020, considered and approved the Statement of Unaudited Financial Results (Consolidated) for the quarter ended on June 30, 2020.

Statement of Unaudited Financial Results (Consolidated) along with Limited Review Report of the Statutory Auditors for the quarter ended on June 30, 2020 and Press Release are enclosed herewith.

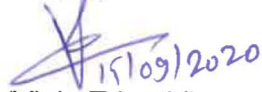
The Board meeting commenced at 3:30 P.M. and concluded at 06:45 P.M.

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

पंजीकृत कार्यालय : जवाहर व्यापार भवन, टॉलस्टॉय मार्ग, नई दिल्ली-110001 / Regd. Office : Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-110 001

कॉर्पोरेट पहचान संख्या / Corporate Identity No. : L74899DL1956GOI002674

दूरभाष / Telephone : 011-23313177 फैक्स / Fax : 011-23701123, 23701191 ई-मेल / E-mail : co@stclimited.co.in वेबसाइट / Website : www.stclimited.co.in

“हिन्दी में प्राप्त पत्रों का स्वागत है”

Limited Review Report

Independent Auditor's Report on Unaudited Standalone financials results of the M/s The State Trading Corporation of India Limited for the quarter ended 30<sup>th</sup> June, 2020 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

To

The Board of Directors

The State Trading Corporation of India Limited,

New Delhi

1. We have reviewed the accompanying Statements of Standalone Financial Results ("the Statements") of M/s The State Trading Corporation of India Limited ("the Company") being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Attention is drawn to the fact that the figures for the corresponding period from 1<sup>st</sup> April, 2019 to 30<sup>th</sup> June 2019, as reported in these financials results have been approved by the Board of Directors of the Company, but have not been subjected to our review.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down In Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind-AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express conclusion on the Statement based on our review.



3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountant of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable

4. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the results submitted by the branch management referred to in paragraph 6 below, and subject to the matters described in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. **Attention is invited to the following:**
- (a) Note No 4 of Financial Results/Highlights for the period ended on 30<sup>th</sup> June 2020, for no credit impairment by STC against trade receivables of Rs. 973.19 Crores which are under dispute/litigations since long. The impact of the same is not ascertainable.
- (b) Non provision in respect of the items / matters as indicated below, has resulted in the loss being shown lower by Rs. 218.81 crore for the year
- i. Note No 6 (b) of Financial Results/Highlights for the period ended on 30<sup>th</sup> June 2020, for continuing to carry forward Deferred Tax Asset worth Rs. 86.49 Crores. However, there is no virtual certainty of profits in the



future considering the high value of contingent liabilities, significant decrease in the sales value and negative net worth of the Company. Further, as per the meeting held on 11 June 2020, under the Chairmanship of Hon'ble Minister, Commerce & Industry and as received vide letter dated 31 July, 2020, it has been reaffirmed and reiterated that STC to stop their business activities. Accordingly, the Deferred Tax Asset should have been reversed and therefore loss for the year is understated by Rs. 86.49 Crores, with consequential effect on 'Retained earnings' by the same amount and overstatement of assets.

ii. Note No 5 of Financial Results/Highlights for the period ended on 30<sup>th</sup> June 2020, for non-provision of a demand of Rs 132.32 Crores received from Land and Development Office - New Delhi, which has resulted in understatement of loss by Rs. 132.32 Crores and understatement of liabilities.

(c) Note No 3 and 6 of Financial Results/Highlights for the period ended on 30<sup>th</sup> June 2020 where the Company owed substantial amount to the bank for which lender banks initiated the action of recovery by filing O.A. No. 148/2019 before DRT on 18/02/2019. However, subsequently Syndicate Bank (now Canara Bank), one of the constituent lender also filed insolvency petition in NCLT under section 7 of the IBC Code, 2016, on 21/02/2019. In response to the above action by Bank, company for the settlement of its debt payable to the bank offered One Time Settlement (OTS) vide letter dated 20/03/2019 to which Syndicate Bank (now Canara Bank-the lead banker) responded on 22/05/2019 giving a counter offer of settlement of which principle terms, inter alia, were as under: -

- Payment of Rs. 1100 Crores immediately.
- Payment of Rs. 300 Crores by sale of STC immovable properties.
- Balance amount of Rs. 506.24 Crores by assigning 50% of realized trade receivable within 5 years from 1st Jan 2019.

Syndicate Bank (now Canara Bank) by their offer dated 22/05/2019 proposed to sign MOU not later than 30/06/2019. Syndicate Bank (now Canara Bank) also confirmed vide letter dated 22/05/2019 that as part of settlement, Rs. 900 Crores



were already received from STC and balance amount of Rs. 200 Crores were to be remitted, based on balances arrived on 31/12/2018. On verification of documents, it is found that Rs. 200 Crores were remitted on 27/05/2019 but without executing any MOU and till date revised MOU/OTS Agreement, if any, has not been executed.

Based on the information and explanations provided to us, in our opinion, non-execution of MOU/OTS Agreement to bind the banker in terms of final settlement is a lapse on the part of the company. Such irregularity may lead to uncalled for enquiries later on with regard to non-execution of MOU to bind the bankers in terms of final settlement.

Further, subsequently a meeting was held on 29/08/2019 under the Chairmanship of Hon'ble Minister, Commerce & Industry, regarding settlement of dues of PEC and STC. PEC is an unlisted company 100% owned by Government whereas STC is a listed company, listed with Bombay Stock Exchange and National Stock Exchange and as on date of our report 10% of shares are held by the public at large and remaining 90% is held by the Central Government. As per minutes of the meeting held on 29/08/2019 and communicated by letter dated 09/09/2019 by Under Secretary, Govt. of India, it was resolved that since PEC does not have meaningful assets to pay its present outstanding except certain flats /homes having value approximately of Rs. 10 Crores therefore in order to repay debt of PEC of Rs 1390.01 Crores so that public sector bank do not suffer, a decision was taken in the meeting to sell/transfer Jawahar Vyapaar Bhawan, New Delhi, an immovable property owned by the STC, after due process of taking exemption from Land & Development office, the lessor of the plot of land on which Jawahar Vyapaar Bhawan is constructed, title will be transferred and lender bank will dispose off the properties in transparent manner. It was further decided that Syndicate Bank (now Canara Bank) will revise the agreement of OTS with STC and include PEC in its ambit so as to swiftly conclude the full and final settlement of pending dues of these companies to banks.



The meeting under the Chairmanship of Hon'ble Minister, Commerce & Industry held on 29/08/2019 also decided that Government was going to close down STC and PEC. Further, as per the meeting held on 11 June 2020, under the Chairmanship of Hon'ble Minister, Commerce & Industry and as received vide letter dated 31 July, 2020, it has been reaffirmed and reiterated that STC and PEC to stop their business activities.

Based on minutes of the meeting dated 29/08/2019, Syndicate Bank (now Canara Bank) vide letter dated 11/10/2019 communicated about the opinion that they have obtained from their counsel namely M/s Cyril Amarchand Mangaldas about possible way out to save the payment of stamp duty on transfer / assignment of Jawahar Vyapaar Bhawan through binding agreements in favor of buyer.

Thereafter, an opinion has been sought by the company from M/s Shardul Amarchand Mangaldas wherein they have opined, inter-alia, that merger with any other profitable company namely MMTC could be another option, other than closer.

We have been informed that NCLT proceedings have been withdrawn by Syndicate Bank (now Canara Bank) but the DRT withdrawal process is still pending. In the Consortium meeting held at Stressed Asset Management branch, Delhi of the Syndicate Bank (now Canara Bank) on 13.01.2020, it was unanimously suggested by the Lenders that instead of withdrawing the case from DRT, possibility may be explored to obtain a consent decree based upon the broad settlement arrived during the high level meeting dated 29.08.2019.

Further we have not been provided any document to substantiate that the Company has countered the claim of the consortium banks to takeover Jawahar Vypaar Bhawan for settlement of liabilities pertaining to the PEC Limited, where as it is understood that the Company has instead started the process of clearing the title deed of Jawahar Vypaar Bhawan from L&DO so that transfer can be executed in favor of the Bank.



Considering the provisions of the Companies Act, 2013, and the fact that 10% shareholding of STC is held by public at large, the decision of Ministry of taking over the liability of PEC amounting to Rs 1,390.01 Crores by STC in the meeting held on 29/08/2019 are in contravention to section 180 and 186 of the Companies Act, 2013, and would also be prejudicial to the interest of the minority shareholders which is public at large because STC by taking the liability is not gaining in any manner and this will also be contrary to the settled accounting principles because the liability is being fastened on the company without any corresponding asset. We are of the considered opinion that the decision taken in the meeting held on 29/08/2019 and insistence of the bankers to sell/transfer the Jawahar Vyapaar Bhawan for settlement of remaining liabilities of the Company along with PEC's debts in the consortium meeting held on 13.01.2020 is prejudicial to the interest of the minority shareholders and is taken without following due process of law, is not in the interest of the company and its members and is also contrary to the corporate structure envisaged under the provisions of the Companies Act, 2013. Such decision taken, without the consent of the shareholders, firstly by not convening meeting of the members is also affecting adversely the fundamental of the company being its ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

- (d) We draw attention to Note no 6 where company has prepared the accounts for the period ended June 30, 2020 on going concern basis and considered to revisit the status during the current financial year keeping in view the One Time Settlement (OTS) with the lender banks and based on various cost reduction measures undertaken to improve liquidity/ profitability. However, considering the high value of contingent liabilities, significant decrease in Sales Volume, continuous losses and negative net-worth there could be material uncertainty for the Company to continue as going concern. Further, as per the meeting held on 11 June 2020, under the Chairmanship of Hon'ble Minister, Commerce & Industry and as received vide letter dated 31 July, 2020, it has been reaffirmed and reiterated that STC to stop their business activities. Accordingly, we are not in a position to comment upon the same.



Our opinion is not modified in respect of this matter.

6. We did not review the interim financial results of 5 Branches included in the unaudited standalone interim financial results of the entity included in the Company and results for these branches is as follows:

(Amount in Rs. Crores)

Particulars	For the Quarter Ended 30 <sup>th</sup> June 2020	For the Quarter Ended 30 <sup>th</sup> June 2019
Total Assets	1,235.04	1,181.04
Total Revenue from Operations	195.19	1,171.50
Profit/(Loss) after Tax	(2.17)	(5.42)

The Interim financial results for the 5 branches have been reviewed by the branch management and internal auditors of the Company, whose financial results have been furnished to us, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the basis of results furnished by management of the Branch and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matter.

For and on behalf of  
HDSG & Associates  
Chartered Accountants  
Firm Reg. No. 002871N

  
Arun Saini  
Partner

M.No. 082070

Place: New Delhi

Date: 15/09/2020

UDIN: 20082070AAAAAV2621





=====

**HDSG & ASSOCIATES**  
CHARTERED ACCOUNTANTS

K-61, Basement, Jangpura Extension  
New Delhi-110014  
Phones:- 43596262( 8 lines)  
Direct:- 43596267  
Email [hdsgindia@yahoo.in](mailto:hdsgindia@yahoo.in)

=====

Limited Review Report

Independent Auditor's Report on Consolidated Unaudited financial results of the M/s The State Trading Corporation of India Limited for the quarter ended 30<sup>th</sup> June, 2020 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

To

The Board of Directors

The State Trading Corporation of India Limited,

New Delhi

1. We have reviewed the accompanying Statements of Consolidated Financial Results ("the Statements") of M/s The State Trading Corporation of India Limited ("The Parent") and its subsidiaries (the parent and its subsidiaries together referred to as "the Group"), (the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Attention is drawn to the fact that the figures for the corresponding period from 1<sup>st</sup> April, 2019 to 30<sup>th</sup> June 2019, as reported in these financials results have been approved by the Board of Directors of the Company, but have not been subjected to our review.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down In Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind-AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted



in India. Our responsibility is to express conclusion on the Statement based on our review.

3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountant of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable

4. The Statement includes the results of the following entities
  - A. **Holding Company**  
M/s The State Trading Corporation of India Limited
  - B. **Subsidiary Company**  
M/s STCL Limited
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the results submitted by the branch management referred to in paragraph 7 below, and subject to the matters described in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



6. Attention is invited to the following:

(a) Note No 4 of Financial Results/Highlights for the period ended on 30<sup>th</sup> June 2020, for no credit impairment by STC against trade receivables of Rs. 973.19 Crores which are under dispute/litigations since long. The impact of the same is not ascertainable.

(b) Non provision in respect of the items / matters as indicated below, has resulted in the loss being shown lower by Rs. 218.81 crore for the year

i. Note No 6 (b) of Financial Results/Highlights for the period ended on 30<sup>th</sup> June 2020, for continuing to carry forward Deferred Tax Asset worth Rs. 86.49 Crores. However, there is no virtual certainty of profits in the future considering the high value of contingent liabilities, significant decrease in the sales value and negative net worth of the Company. Further, as per the meeting held on 11 June 2020, under the Chairmanship of Hon'ble Minister, Commerce & Industry and as received vide letter dated 31 July, 2020, it has been reaffirmed and reiterated that STC to stop their business activities. Accordingly, the Deferred Tax Asset should have been reversed and therefore loss for the year is understated by Rs. 86.49 Crores, with consequential effect on 'Retained earnings' by the same amount and overstatement of assets.

ii. Note No 5 of Financial Results/Highlights for the period ended on 30<sup>th</sup> June 2020, for non-provision of a demand of Rs 132.32 Crores received from Land and Development Office - New Delhi, which has resulted in understatement of loss by Rs. 132.32 Crores and understatement of liabilities.

(c) Note No 3 and 6 of Financial Results/Highlights for the period ended on 30<sup>th</sup> June 2020 where the Company owed substantial amount to the bank for which lender banks initiated the action of recovery by filing O.A. No. 148/2019 before DRT on 18/02/2019. However, subsequently Syndicate Bank (now Canara Bank), one of the constituent lender also filed insolvency petition in NCLT under section 7 of the IBC Code, 2016, on 21/02/2019. In response to the above action by Bank, company for the settlement of its debt payable to the bank offered One



Time Settlement (OTS) vide letter dated 20/03/2019 to which Syndicate Bank (now Canara Bank-the lead banker) responded on 22/05/2019 giving a counter offer of settlement of which principle terms, inter alia, were as under: -

- Payment of Rs. 1100 Crores immediately.
- Payment of Rs. 300 Crores by sale of STC immovable properties.
- Balance amount of Rs. 506.24 Crores by assigning 50% of realized trade receivable within 5 years from 1st Jan 2019.

Syndicate Bank (now Canara Bank) by their offer dated 22/05/2019 proposed to sign MOU not later than 30/06/2019. Syndicate Bank (now Canara Bank) also confirmed vide letter dated 22/05/2019 that as part of settlement, Rs. 900 Crores were already received from STC and balance amount of Rs. 200 Crores were to be remitted, based on balances arrived on 31/12/2018. On verification of documents, it is found that Rs. 200 Crores were remitted on 27/05/2019 but without executing any MOU and till date revised MOU/OTS Agreement, if any, has not been executed.

Based on the information and explanations provided to us, in our opinion, non-execution of MOU/OTS Agreement to bind the banker in terms of final settlement is a lapse on the part of the company. Such irregularity may lead to uncalled for enquiries later on with regard to non-execution of MOU to bind the bankers in terms of final settlement.

Further, subsequently a meeting was held on 29/08/2019 under the Chairmanship of Hon'ble Minister, Commerce & Industry, regarding settlement of dues of PEC and STC. PEC is an unlisted company 100% owned by Government whereas STC is a listed company, listed with Bombay Stock Exchange and National Stock Exchange and as on date of our report 10% of shares are held by the public at large and remaining 90% is held by the Central Government. As per minutes of the meeting held on 29/08/2019 and communicated by letter dated 09/09/2019 by Under Secretary, Govt. of India, it was resolved that since PEC does not have meaningful assets to pay its present outstanding except certain flats /homes having value approximately of Rs. 10



Crores therefore in order to repay debt of PEC of Rs 1390.01 Crores so that public sector bank do not suffer, a decision was taken in the meeting to sell/transfer Jawahar Vyapaar Bhawan, New Delhi, an immovable property owned by the STC, after due process of taking exemption from Land & Development office, the lessor of the plot of land on which Jawahar Vyapaar Bhawan is constructed, title will be transferred and lender bank will dispose off the properties in transparent manner. It was further decided that Syndicate Bank (now Canara Bank) will revise the agreement of OTS with STC and include PEC in its ambit so as to swiftly conclude the full and final settlement of pending dues of these companies to banks.

The meeting under the Chairmanship of Hon'ble Minister, Commerce & Industry held on 29/08/2019 also decided that Government was going to close down STC and PEC. Further, as per the meeting held on 11 June 2020, under the Chairmanship of Hon'ble Minister, Commerce & Industry and as received vide letter dated 31 July, 2020, it has been reaffirmed and reiterated that STC and PEC to stop their business activities.

Based on minutes of the meeting dated 29/08/2019, Syndicate Bank (now Canara Bank) vide letter dated 11/10/2019 communicated about the opinion that they have obtained from their counsel namely M/s Cyril Amarchand Mangaldas about possible way out to save the payment of stamp duty on transfer / assignment of Jawahar Vyapaar Bhawan through binding agreements in favor of buyer.

Thereafter, an opinion has been sought by the company from M/s Shardul Amarchand Mangaldas wherein they have opined, inter-alia, that merger with any other profitable company namely MMTC could be another option, other than closer.

We have been informed that NCLT proceedings have been withdrawn by Syndicate Bank (now Canara Bank) but the DRT withdrawal process is still pending. In the Consortium meeting held at Stressed Asset Management branch, Delhi of the Syndicate Bank (now Canara Bank) on 13.01.2020, it was



unanimously suggested by the Lenders that instead of withdrawing the case from DRT, possibility may be explored to obtain a consent decree based upon the broad settlement arrived during the high level meeting dated 29.08.2019.

Further we have not been provided any document to substantiate that the Company has countered the claim of the consortium banks to takeover Jawahar Vypaar Bhawan for settlement of liabilities pertaining to the PEC Limited, where as it is understood that the Company has instead started the process of clearing the title deed of Jawahar Vypaar Bhawan from L&DO so that transfer can be executed in favor of the Bank.

Considering the provisions of the Companies Act, 2013, and the fact that 10% shareholding of STC is held by public at large, the decision of Ministry of taking over the liability of PEC amounting to Rs 1,390.01 Crores by STC in the meeting held on 29/08/2019 are in contravention to section 180 and 186 of the Companies Act, 2013, and would also be prejudicial to the interest of the minority shareholders which is public at large because STC by taking the liability is not gaining in any manner and this will also be contrary to the settled accounting principles because the liability is being fastened on the company without any corresponding asset. We are of the considered opinion that the decision taken in the meeting held on 29/08/2019 and insistence of the bankers to sell/transfer the Jawahar Vyapaar Bhawan for settlement of remaining liabilities of the Company along with PEC's debts in the consortium meeting held on 13.01.2020 is prejudicial to the interest of the minority shareholders and is taken without following due process of law, is not in the interest of the company and its members and is also contrary to the corporate structure envisaged under the provisions of the Companies Act, 2013. Such decision taken, without the consent of the shareholders, firstly by not convening meeting of the members is also affecting adversely the fundamental of the company being its ability to continue as a going concern.

Our opinion is not modified in respect of this matter.



(d) We draw attention to Note no 6 where company has prepared the accounts for the period ended June 30, 2020 on going concern basis and considered to revisit the status during the current financial year keeping in view the One Time Settlement (OTS) with the lender banks and based on various cost reduction measures undertaken to improve liquidity/ profitability. However, considering the high value of contingent liabilities, significant decrease in Sales Volume, continuous losses and negative net-worth there could be material uncertainty for the Company to continue as going concern. Further, as per the meeting held on 11 June 2020, under the Chairmanship of Hon'ble Minister, Commerce & Industry and as received vide letter dated 31 July, 2020, it has been reaffirmed and reiterated that STC to stop their business activities. Accordingly, we are not in a position to comment upon the same.

Our opinion is not modified in respect of this matter.

7. We did not review the interim financial results of 5 Branches included in the unaudited standalone interim financial results of the entity included in the Company and results for these branches is as follows:

(Amount in Rs. Crores)

Particulars	For the Quarter Ended 30 <sup>th</sup> June 2020	For the Quarter Ended 30 <sup>th</sup> June 2019
Total Assets	1,235.04	1,181.04
Total Revenue from Operations	195.19	1,171.50
Profit/(Loss) after Tax	(2.17)	(5.42)

The Interim financial results for the 5 branches have been reviewed by the branch management and internal auditors of the Company, whose financial results have been furnished to us, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the basis of results furnished by management of the Branch and the procedures performed by us as stated in paragraph 3 above.



Our conclusion on the Statement is not modified in respect of the above matter.

8. We did not review the Interim financial results of the subsidiary, M/s STCL Limited included in the consolidated unaudited financial results and results for the subsidiary is as follows:

(Amount in Rs. Crores)

Particulars	For the Quarter Ended 30 <sup>th</sup> June 2020	For the Quarter Ended 30 <sup>th</sup> June 2019
Total Assets	3.88	6.03
Total Revenue from Operations	Nil	Nil
Profit/(Loss) after Tax (Incl. Exception Items)	(0.13)	(0.41)

These Interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of such subsidiary, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matter.

For and on behalf of  
**HDSG & Associates**  
Chartered Accountants  
Firm Reg. No. 002871N



**Arun Saini**

Partner

M.No. 082070

Place: New Delhi

Date: 15/09/2020

UDIN: 20082070AAAAAW3782





**THE STATE TRADING CORPORATION OF INDIA LTD.**  
**Statement of Financial Results for the Quarter ended June 30, 2020**  
CIN: L74899DL1956GOI002674

(Rs. crore)

Particulars	STANDALONE				CONSOLIDATED			
	Quarter ended 30.06.2020	Quarter ended 30.06.2019	Quarter ended 31.03.2020	Year ended 31.03.2020	Quarter ended 30.06.2020	Quarter ended 30.06.2019	Quarter ended 31.03.2020	Year ended 31.03.2020
	(unaudited)	(unaudited)	(audited)	(audited)	(unaudited)	(unaudited)	(audited)	(audited)
<b>Income</b>								
Revenue from Operations	195.19	2,260.59	204.39	2,936.74	195.19	2,260.59	204.39	2,936.74
Other Income	14.25	18.41	15.43	78.24	14.35	18.41	15.44	78.28
<b>Total Income</b>	<b>209.44</b>	<b>2,279.00</b>	<b>219.82</b>	<b>3,014.98</b>	<b>209.54</b>	<b>2,279.00</b>	<b>219.83</b>	<b>3,015.02</b>
<b>Expenses</b>								
Purchases of Stock in trade	193.00	2,257.93	203.11	2,927.06	193.00	2,257.93	203.11	2,927.06
Change in Inventory	-	-	(0.10)	(0.10)	-	-	(0.10)	(0.10)
Employees' Benefit Expenses	15.45	20.96	17.21	81.33	15.65	21.20	17.75	82.44
Finance Cost	0.50	3.63	(0.16)	7.27	0.50	3.63	(0.16)	7.27
Depreciation & Amortization Expenses	3.81	3.83	5.89	15.26	3.81	3.91	5.90	15.50
Other Expenses	3.49	5.21	6.25	22.40	3.52	5.34	6.36	22.75
<b>Total expenses</b>	<b>216.25</b>	<b>2,291.56</b>	<b>232.20</b>	<b>3,053.22</b>	<b>216.48</b>	<b>2,292.01</b>	<b>232.86</b>	<b>3,054.92</b>
<b>Profit before exceptional items and tax</b>	<b>(6.81)</b>	<b>(12.56)</b>	<b>(12.38)</b>	<b>(38.24)</b>	<b>(6.94)</b>	<b>(13.01)</b>	<b>(13.03)</b>	<b>(39.90)</b>
Exceptional Items - Expense /(Income)	(0.02)	81.78	(6.64)	75.39	(0.02)	81.78	(6.31)	74.19
<b>Profit Before Tax</b>	<b>(6.79)</b>	<b>(94.34)</b>	<b>(5.74)</b>	<b>(113.63)</b>	<b>(6.92)</b>	<b>(94.79)</b>	<b>(6.72)</b>	<b>(114.09)</b>
<b>Tax expense</b>								
(i) Current tax	-	-	-	-	-	-	-	-
(i) Tax related to earlier years	-	-	-	-	-	-	-	-
(ii) Deferred tax	-	-	-	-	-	-	-	-
<b>Profit for the period from continuing operations (A)</b>	<b>(6.79)</b>	<b>(94.34)</b>	<b>(5.74)</b>	<b>(113.63)</b>	<b>(6.92)</b>	<b>(94.79)</b>	<b>(6.72)</b>	<b>(114.09)</b>
Profit/(loss) from discontinued operations	-	-	-	-	-	-	-	-
Tax expense of discontinued operations	-	-	-	-	-	-	-	-
<b>Profit from discontinued operations after tax (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>I Profit for the period (A+B)</b>	<b>(6.79)</b>	<b>(94.34)</b>	<b>(5.74)</b>	<b>(113.63)</b>	<b>(6.92)</b>	<b>(94.79)</b>	<b>(6.72)</b>	<b>(114.09)</b>
<b>II Other Comprehensive Income</b>								
Items that will not be reclassified to profit or loss								
- Remeasurements of the defined benefit plans	-	-	0.79	0.79	-	-	0.79	0.79
Less: Income Tax on Above	-	-	-	-	-	-	-	-
Items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
<b>Total of Other Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>0.79</b>	<b>0.79</b>	<b>-</b>	<b>-</b>	<b>0.79</b>	<b>0.79</b>
<b>Total Comprehensive Income for the period</b>	<b>(6.79)</b>	<b>(94.34)</b>	<b>(4.95)</b>	<b>(112.84)</b>	<b>(6.92)</b>	<b>(94.79)</b>	<b>(5.93)</b>	<b>(113.30)</b>
<b>Paid up equity share capital (Face value of Rs. 10/- each)</b>	<b>60.00</b>	<b>60.00</b>	<b>60.00</b>	<b>60.00</b>	<b>60.00</b>	<b>60.00</b>	<b>60.00</b>	<b>60.00</b>
Other Equity excluding Revaluation Reserves	-	-	-	(1,006.11)	-	-	-	(5,572.56)
<b>Earnings per equity share :</b>								
(1) Basic (in Rupees)	(1.13)	(15.72)	(0.82)	(18.81)	(1.15)	(15.80)	(0.99)	(18.88)
(2) Diluted (in Rupees)	(1.13)	(15.72)	(0.82)	(18.81)	(1.15)	(15.80)	(0.99)	(18.88)



4  
15/9

Segment-wise Revenue, Results, Assets & Liabilities								
								(Rs. crore)
Particulars	STANDALONE				CONSOLIDATED			
	Quarter ended 30.06.2020	Quarter ended 30.06.2019	Quarter ended 31.03.2020	Year ended 31.03.2020	Quarter ended 30.06.2020	Quarter ended 30.06.2019	Quarter ended 31.03.2020	Year ended 31.03.2020
	(unaudited)	(unaudited)	(audited)	(audited)	(unaudited)	(unaudited)	(audited)	(audited)
<b>1. Segment revenue</b>								
a) Export	-	2.91	2.58	13.11	-	2.91	2.58	13.11
b) Import	-	2,211.86	0.87	2,536.12	-	2,211.86	0.87	2,536.12
c) Domestic	195.19	45.82	200.94	387.51	195.19	45.82	200.94	387.51
<b>Total</b>	<b>195.19</b>	<b>2,260.59</b>	<b>204.39</b>	<b>2,936.74</b>	<b>195.19</b>	<b>2,260.59</b>	<b>204.39</b>	<b>2,936.74</b>
Less -Inter-segment revenue	-	-	-	-	-	-	-	-
<b>Revenue from operations</b>	<b>195.19</b>	<b>2,260.59</b>	<b>204.39</b>	<b>2,936.74</b>	<b>195.19</b>	<b>2,260.59</b>	<b>204.39</b>	<b>2,936.74</b>
<b>2. Segment results - Profit /(Loss) before tax and interest from each segment</b>								
a) Export	-	0.06	0.16	1.98	-	0.06	0.16	1.98
b) Import	(0.08)	0.16	(0.15)	(0.62)	(0.08)	0.16	(0.15)	(0.62)
c) Domestic	2.21	2.30	3.80	7.28	2.21	2.30	3.80	7.28
<b>Total</b>	<b>2.13</b>	<b>2.52</b>	<b>3.81</b>	<b>8.64</b>	<b>2.13</b>	<b>2.52</b>	<b>3.81</b>	<b>8.64</b>
Less:(I) Finance cost	0.50	3.63	(0.16)	7.27	0.50	3.63	(0.16)	7.27
(ii) Other unallocable expenditure net off	8.42	93.23	9.71	115.00	8.55	93.68	10.69	115.46
Unallocable income								
<b>Profit before Tax</b>	<b>(6.79)</b>	<b>(94.34)</b>	<b>(5.74)</b>	<b>(113.63)</b>	<b>(6.92)</b>	<b>(94.79)</b>	<b>(6.72)</b>	<b>(114.09)</b>
<b>3. Segment Assets</b>								
a) Export	1,057.30	1,061.97	1,055.77	1,055.77	1,057.30	1,061.97	1,055.77	1,055.77
b) Import	73.02	35.16	75.88	75.88	73.02	35.16	75.88	75.88
c) Domestic	71.88	29.75	94.50	94.50	71.88	29.75	94.50	94.50
d) Unallocated	1,268.63	1,434.74	1,269.15	1,269.15	1,272.49	1,440.77	1,273.14	1,273.14
<b>Total</b>	<b>2,470.83</b>	<b>2,561.62</b>	<b>2,495.30</b>	<b>2,495.30</b>	<b>2,474.69</b>	<b>2,567.65</b>	<b>2,499.29</b>	<b>2,499.29</b>
<b>4. Segment Liabilities</b>								
a) Export	1,185.38	1,209.76	1,184.88	1,184.88	1,185.38	1,209.76	1,184.88	1,184.88
b) Import	331.72	340.78	324.64	324.64	331.72	340.78	324.64	324.64
c) Domestic	68.09	81.21	114.12	114.12	68.09	81.21	114.12	114.12
d) Unallocated	953.99	972.87	933.17	933.17	5,523.06	5,543.97	5,502.24	5,502.24
<b>Total</b>	<b>2,539.18</b>	<b>2,604.62</b>	<b>2,556.81</b>	<b>2,556.81</b>	<b>7,108.25</b>	<b>7,175.72</b>	<b>7,125.88</b>	<b>7,125.88</b>

#### Notes

- 1) These Financial results have been prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.
- 2) The financial results for the quarter ended 30th June 2020 were reviewed by the Audit Committee on 15.09.2020 and approved by the Board of Directors in its meeting held on 15.09.2020.
- 3) In view of the default by the company in paying due interest amount to the banks, STC was declared NPA. The lender banks have initiated DRT proceedings against the company which is likely to be withdrawn soon and Syndicate bank also initiated NCLT proceedings, which have been withdrawn on 11.12.2019. The company is in the process of finalizing the OTS proposal with the lender banks and has already paid Rs.1100 crore against the dues of Rs.1906.24 crore as on 31.12.2018. Consequent on the high level meeting dated 29.08.2019, the OTS with banks shall be completed upon transfer of immovable properties worth Rs. 300 Crore. The DRT proceedings are in the process of being withdrawn and OTS agreement is in final stages and is being vigorously followed up by the Company at appropriate level.



41579

4) Out of the total trade receivable of Rs. 1117.11 Crore includes Rs. 973.19 Crore "having significant increase in credit risk" being under dispute/litigation. 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. Further, for remaining balance of Rs.143.92 Crore approx. is recoverable hence no provision is considered necessary.

5) Contingent Liability includes a demand of Rs. 132.32 Crore 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 taken up for waiver of liability with L&DO.

6) The Company is a CPSE under administrative control of the Ministry of Commerce & Industry. The Company is a trading organization to undertake promotion of export and market intervention operations in commodities specified by Government of India from time to time. For last few years the company is facing mismatch in inflows and outflows of funds due to huge recoverable from associates with whom the company had undertaken trade transactions in the past and who had defaulted in making timely payment to STC. Due to this the Company has led to temporary financial crunch, operating losses, reduction of net worth. Simultaneously the company initiated legal action against the defaulting associates. One of the major associates has made sufficient payment to STC on direction of Hon'ble Supreme Court. This has eased out the financial crisis of the Company to some extent. The Company is in process of One Time Settlement (OTS) with the lender banks and an amount of Rs.1100 Crore was paid towards OTS. The lender banks had proceeded in NCLT/DRT against the Company. The proceeding in NCLT Court has since been withdrawn. Simultaneously, the company has undertaken various cost reduction measures to improve the liquidity/ profitability such as closure of unviable branches, undertaking trade in commodities fetching higher trade margins without involvement of STC's funds, etc. Consequent upon the high level meeting dated 29.08.2019, Presently, the Company is undertaking the business without involvement of own funds. The status will be revisited during the current financial year.

Considering the facts given above,

a. Accounts for the period ended June 30, 2020 have been prepared on going concern basis.

b. The company is continuing to carry forward deferred tax assets, which will be available for set off against future profits.

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

d. Depreciation is being computed on the basis of expected economic life of fixed assets rather than their current market value.

7) As a matter of accounting prudence, Deferred Tax Assets for the period ended 30.06.2020 have not been recognized.

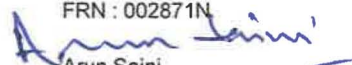
8) Impact of COVID-19:-There was a nation-wide lockdown imposed during the end of March, 2020 due to COVID-19. There was partial lifting of the lockdown since 03.05.2020. The Company has resumed operations at corporate office and branch offices with minimal staff after adopting safety measures and following standard operating procedures mandated by Govt. of India like disinfection of office premises, keeping social distancing, work-from-home with minimal attendance.

Despite the constraints of lockdown, the Company ensured timely deliveries of essential items viz. edible oil, pulses and sugar for on-going contracts for supply to the Tamil Nadu Civil Supplies Corporation through e-processing procedure during lockdown. However, due to the unpredictable and continuing impact of Covid-19 situation, it is very difficult to assess the future impact of Covid-19 on the financial performance and business operations at this juncture. Further, the company does not foresee any significant impairment to the carrying value of its assets, which is dependent on market conditions.

9) Figures of the previous period have been recasted / reclassified to make them comparable with those of the current period wherever necessary.

10) Figures for the quarter ended 31st March 2020 are the balancing figures between the audited figures in respect of full financial year and the published year to date figures upto 3rd quarter of that Financial Year.


As per our report of even date  
M/s HDSG & Associates  
Chartered Accountants  
FRN : 002871N

  
Arun Saini  
Partner  
M. No. 082070



Place: New Delhi  
Date: 15.09.2020

By order of the Board of Directors

  
(S.K Sharma)  
Director (Personnel)  
with additional charge of CMD  
DIN -06942536

  
(Ramesh Nagrath)  
CFO

**THE STATE TRADING CORPORATION OF INDIA LTD.**  
**Statement of Financial Results for the Quarter ended June 30, 2020**  
CIN: L74899DL1956GOI002674

(Rs. Crore)

S.NO.	PARTICULARS	STANDALONE				CONSOLIDATED			
		Quarter ended 30.06.2020	Quarter ended 30.06.2019	Quarter ended 31.03.2020	Year ended 31.03.2020	Quarter ended 30.06.2020	Quarter ended 30.06.2019	Quarter ended 31.03.2020	Year ended 31.03.2020
		(unaudited)	(unaudited)	(audited)	(audited)	(unaudited)	(unaudited)	(audited)	(audited)
1	Total income from operations	195.19	2,260.59	204.39	2,936.74	195.19	2,260.59	204.39	2,936.74
2	Net Profit /(Loss) for the period (before tax, exceptional and/or Extraordinary items)	(6.81)	(12.56)	(12.38)	(38.24)	(6.94)	(13.01)	(13.03)	(39.90)
3	Net Profit /(Loss) for the period before tax (after Exceptional and/or Extraordinary items)	(6.79)	(94.34)	(5.74)	(113.63)	(6.92)	(94.79)	(6.72)	(114.09)
4	Net Profit /(Loss) for the period after tax (after Exceptional and/or Extraordinary items)	(6.79)	(94.34)	(5.74)	(113.63)	(6.92)	(94.79)	(6.72)	(114.09)
5	Total comprehensive income for the period [comprising Profit/ (Loss) for the period (after Tax) and other comprehensive income (after tax)]	(6.79)	(94.34)	(4.95)	(112.84)	(6.92)	(94.79)	(5.93)	(113.30)
6	Equity Share Capital	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00
7	Other Equity excluding Revaluation Reserves	-	-	-	(1,006.11)	-	-	-	(5,572.56)
8	Earning per share (of Rs. 10/- each) (for continuing and discontinued operations) (not Annualized) :								
	(a) Basic (in Rupees)	(1.13)	(15.72)	(0.82)	(18.81)	(1.15)	(15.80)	(0.99)	(18.88)
	(b) Diluted (in Rupees)	(1.13)	(15.72)	(0.82)	(18.81)	(1.15)	(15.80)	(0.99)	(18.88)

**Notes:**

- These Financial results have been prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.
- The financial results for the quarter ended 30th June 2020 were reviewed by the Audit Committee on 15.09.2020 and approved by the Board of Directors in its meeting held on 15.09.2020.
- In view of the default by the company in paying due interest amount to the banks, STC was declared NPA. The lender banks have initiated DRT proceedings against the company which is likely to be withdrawn soon and Syndicate bank also initiated NCLT proceedings, which have been withdrawn on 11.12.2019. The company is in the process of finalizing the OTS proposal with the lender banks and has already paid Rs.1100 crore against the dues of Rs.1906.24 crore as on 31.12.2018. Consequent on the high level meeting dated 29.08.2019, the OTS with banks shall be completed upon transfer of immovable properties worth Rs. 300 Crore. The DRT proceedings are in the process of being withdrawn and OTS agreement is in final stages and is being vigorously followed up by the Company at appropriate level.
- Out of the total trade receivable of Rs. 1117.11 Crore includes Rs. 973.19 Crore "having significant increase in credit risk" being under dispute/litigation. 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. Further, for remaining balance of Rs.143.92 Crore approx. is recoverable hence no provision is considered necessary.
- Contingent Liability includes a demand of Rs. 132.32 Crore 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 taken up for waiver of liability with L&DO.



4  
15/9

6) The Company is a CPSE under administrative control of the Ministry of Commerce & Industry. The Company is a trading organization to undertake promotion of export and market intervention operations in commodities specified by Government of India from time to time. For last few years the company is facing mismatch in inflows and outflows of funds due to huge recoverable from associates with whom the company had undertaken trade transactions in the past and who had defaulted in making timely payment to STC. Due to this the Company has led to temporary financial crunch, operating losses, reduction of net worth. Simultaneously the company initiated legal action against the defaulting associates. One of the major associates has made sufficient payment to STC on direction of Hon'ble Supreme Court. This has eased out the financial crisis of the Company to some extent. The Company is in process of One Time Settlement (OTS) with the lender banks and an amount of Rs.1100 Crore was paid towards OTS. The lender banks had proceeded in NCLT/DRT against the Company. The proceeding in NCLT Court has since been withdrawn. Simultaneously, the company has undertaken various cost reduction measures to improve the liquidity/ profitability such as closure of unviable branches, undertaking trade in commodities fetching higher trade margins without involvement of STC's funds, etc. Consequent upon the high level meeting dated 29.08.2019, Presently, the Company is undertaking the business without involvement of own funds. The status will be revisited during the current financial year.

Considering the facts given above,

- a. Accounts for the period ended June 30, 2020 have been prepared on going concern basis.
- b. The company is continuing to carry forward deferred tax assets, which will be available for set off against future profits.
- c. No provision for impairment of non-current assets has been considered necessary.
- d. Depreciation is being computed on the basis of expected economic life of fixed assets rather than their current market value.

7) As a matter of accounting prudence, Deferred Tax Assets for the period ended 30.06.2020 have not been recognized.

8) Impact of COVID-19:-There was a nation-wide lockdown imposed during the end of March, 2020 due to COVID-19. There was partial lifting of the lockdown since 03.05.2020. The Company has resumed operations at corporate office and branch offices with minimal staff after adopting safety measures and following standard operating procedures mandated by Govt. of India like disinfection of office premises, keeping social distancing, work-from-home with minimal attendance.

Despite the constraints of lockdown, the Company ensured timely deliveries of essential items viz. edible oil, pulses and sugar for on-going contracts for supply to the Tamil Nadu Civil Supplies Corporation through e-processing procedure during lockdown. However, due to the unpredictable and continuing impact of Covid-19 situation, it is very difficult to assess the future impact of Covid-19 on the financial performance and business operations at this juncture. Further, the company does not foresee any significant impairment to the carrying value of its assets, which is dependent on market conditions.

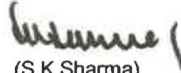
9) Figures of the previous period have been recasted / reclassified to make them comparable with those of the current period wherever necessary.

10) Figures for the quarter ended 31st March 2020 are the balancing figures between the audited figures in respect of full financial year and the published year to date figures upto 3rd quarter of that Financial Year.

By order of the Board of Directors



Place: New Delhi  
Date: 15.09.2020

  
(S.K Sharma)  
Director (Personnel)  
with additional charge of CMD  
DIN -06942536

  
(Rooma Nagrath)  
CFO

TO WHOMSOEVER IT MAY CONCERN

Certified that the reviewed financial results for the quarter ended 30.06.2020 do not contain any false or misleading statement or figures and do not omit any material fact which may make the statement or figures contained therein misleading.



(S.K SHARMA)

Director (Personnel) additional charge of CMD



(ROOMA NAGRATH)

CFO

Place: New Delhi

Date: 15/09/2020