

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

June 25, 2021

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 st Floor, P.J. Towers, Dalal Street Mumbai - 400001 Scrip Code : 512531
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Sub: Annual Audited Financial Results (Standalone & Consolidated) for the quarter and year ended March 31, 2020

Dear Sir/Madam,

This is to inform that the Board of Directors of The State Trading Corporation of India Limited at its meeting held on today i.e., June 25, 2021 has approved and taken on record the Annual Financial Results (both Standalone & Consolidated) for the quarter and Year ended March 31, 2021. In pursuance of Regulation 33, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the following:

- Auditors' Report on the Audited Financial Results (Standalone & Consolidated) for the quarter and year ended March 31, 2021, pursuant to Regulation 33
- Annual Audited Financial Results (Standalone & Consolidated) for the Quarter and Year ended March 31, 2021.
- Statement of impact of Audit Qualification (Standalone & Consolidated) for the financial year ended 31.03.2021.
- Declaration form the CFO as required pursuant to Regulation 33(3) of the Listing Regulations, regarding unmodified opinion of the Statutory Auditors on the Financial Results.

The Meeting of the Board of Directors commenced at 03:00 P.M. and concluded at 04.30 P.M. However, the delay in uploading Financial Results is due to unavoidable reasons.

Please take the above on record.

Thanking you,

Yours sincerely,

For The State Trading Corporation of India Limited



(Vipin Tripathi)

Company Secretary & Compliance Officer



PSMG & ASSOCIATES

CHARTERED ACCOUNTANTS

Head Office

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Commercial Complex,13, Preet
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**Independent Auditors' Report on the Quarterly and
Year to date Standalone Financial Results of The State Trading Corporation of India
Limited Pursuant to the Regulation 33 of the SEBI (Listing obligation and Disclosure
Requirements) Regulation 2015**

The Board of Directors of The State Trading Corporation of India

Report on the Audit of the Standalone Financial Results

Qualified Opinion

We have audited the accompanying Statement of Standalone Financial Results of **The State Trading Corporation of India Limited ("the Company")**, for the quarter and year ended 31st March 2021("the statement"), attached herewith, being submitted by the Company pursuant to the requirement of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended ("the Listing Regulations") including relevant circulars issued by SEBI from time to time.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report,theStatement,:

- i. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting standards and other accounting principles generally accepted in India of the net loss and other comprehensive loss and other financial information for the quarter and year ended on 31st March 2021.



Basis for Qualified Opinion

a. Non provision in respect of the items / matters as indicated below, has resulted in the loss being shown understated by Rs. 221.19 crores for the year

- i. For not providing firm liability of Rs. 3.92 Crores from one of the party, M/s Lichen Metals Private Limited, after adjusting the deposit of Rs. 27.95 crores from Holding Company of the Party. The said Holding Company of the party had approached for arbitration against the adjusted deposit and the arbitration award was in favour of holding Company of the party. Company had filed an appeal before the Hon'ble single bench of High Court against the arbitration award. However, under the Order passed by the Hon'ble Calcutta High Court, company has deposited an amount of Rs 31.92 Crores on losing the case being the adjusted deposit with interest and made a provision for Rs. 27.95 Crores in the books of accounts in the current year.
- ii. For not providing firm Liability of Rs. 6.96 Crore 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.
- iii. An amount of Rs.4.98 crores representing unpaid sales tax liability shown as a contingent liability against which the Company has not provided firm liability although the Company has lost the case in Indian Council of Arbitration.
- iv. The Company has Deferred Tax Asset worth Rs. 73.01 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, negative net worth of the Company and decision of the board of directors regarding Non operative status of the Company dated 05.04.2021. Accordingly the Deferred tax should be reversed and therefor for loss for the year is understated by 73.01 crore.
- v. 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.

As a result of matters contained in paras (a) (i) to (v) above, loss for the year is understated by Rs. 221.19 crores, with consequential effect on 'Retained earnings' by the same amount, understatement of 'liabilities' by Rs. 148.18 crore and overstatement of Non-Current assets by Rs.73.01 crores.

b. The Company has not complied with:

- i. Ind AS 10 (regarding Events Occurring after balance sheet date) by not taking into consideration the accounting effects of resolution of The Board of Directors dated 05.04.2021 regarding non-operating status of the Company.
- ii. 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.
- iii. Ind AS 116, (regarding Leases) by not ascertaining the carrying value of leasehold properties in case of Jawahar Vyapar Bhawan, Malviya Nagar Housing Colony and plot at Mallet



Blunder, Mumbai port trust. Due to unavailability of the lease period in these cases, the impact of the same is not ascertainable.

c. The impact of the following is not ascertainable:

- i. In the view of the default by the company in paying due interest amount to the banks, Company was declared NPA. The lender banks have initiated DRT proceedings against the company. The memorandum of the OTS (MOTS) proposal with lender banks is 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 crores on "as is where is basis" as a full and final settlement. (Refer Note No. 3 of the attached results)
- ii. In view of the non-availability of confirmation of balances of receivables and payables (including direct & indirect taxes).
- iii. 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 Game, 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.
- iv. For not making credit impairment of trade receivables Rs. 921.91 Crores& Claim Receivables Rs. 6.78 Crores, making a total of Rs. 928.69 crores since the company feels that even if no amount would eventually be recovered, provision is not required as the creditor will be paid by the company only to the extent the amount is realized against such trade receivables, though in most of the cases agreements are not tripartite.

Further in case of M/s Rajat Pharmaceuticals Ltd (RPL) who drew bills of exchange on Company which were accepted upon receipt of overseas buyer's pre-acceptance to Company'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 Crs. approx. has been passed by Hon'ble Bombay High Court in favour of Company 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 Bombay. The matter is also under investigation by Central Bureau of Investigation (CBI). Banks & Financial institution have filed legal suit against RPL before DRT making Company also a party to the case claiming Rs. 476.47 Crore.

For matters other than RPL, as all these matters are sub-judice and/or under investigation of CBI we are unable to comment upon the same.

- v. Customer at credit includes amount payable to U.P. Government amounting to Rs 6.03 Crores. As informed by the Branch management, Branch has made various other claims on U.P Government and accordingly dues of Rs. 39.11 Crores 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 financial results of the branch till date, as its ultimate collection was not certain. In absence of information on acceptability of the said claim by UP Government, we are unable to ascertain its possible impact, if any, on the financial results of the Company.



- vi. As per letter no. L&DO/L-IIA/1236/574 dated 19.12.2019, L&DO has demanded interest @ 10% till the payment is being made by Company, the effect of the same is not considered in the books as on reporting date, which has resulted in understatement of loss. The amount of the interest subsequent to the above letter of L&DO dated 19.12.2019 cannot be quantified due to lack of information in the said regard.
- vii. **Material Uncertainty related to Going Concern:**
The Company has incurred a net loss of Rs. 112.84 crore during the year ended 31st March 2020 and Rs. 47.70 crore during the year ended March 31, 2021 and, as of that date, the Company 's liquidity position is not strong enough as is evident from the fact that the Current Liabilities exceeded its Current assets by 923.24 crores and net worth is positive only on account of revaluation reserve. Also considering the high value of contingent liabilities amounting to Rs.834.36 crores, significant decrease in the sales volume of the Company and the matter of continuous losses and negative net current assets, there could be material uncertainty for the Company to continue as a going concern. Further, The Board of Directors of Company on 05.04.2021 passed a resolution to continue business of Company as non-operating Company .

We conducted our audit in accordance with the standards of the auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Results section of this report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountant of India together with ethical requirements that are relevant to our audit of the statements under the provisions of the Act and rules thereunder and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion

Emphasis of Matters:

- a. Contingent Liabilities which includes an amount of Rs. 1.30 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 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. Reference is invited to Note No. 4 of the attached Financial Results 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.
- c. We refer to Note No. 8 of the attached financial results relating to challenges faced by the company due to Covid-19, the impact of which in future period cannot be ascertained as on date.

Our conclusion is not modified in respect of these matters.



Management's Responsibility for the Standalone Financial Results

The Company's Board of Directors is responsible for the preparation of this statement that give a true and fair view of the net loss and other comprehensive loss and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the statement 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 standalone financial results.

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

- Identify and assessed the risks of material misstatement of the 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 with reference to financial results in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors’.
- Conclude on the appropriateness of the Board of Directors ‘use of the 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 results 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.
- Evaluate the overall presentation, structure and content of the statements, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Other Matters

1. The statement include the results for the quarter ended 31st March 2021 and the corresponding quarter ended in the previous year as reported in these standalone financial results , are the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year and previous financial year respectively , which were subjected to limited review, as required under the Listing Regulations.

Our conclusion is not modified in respect of these matters.

For and on the behalf of
PSMG & ASSOCIATES
 Chartered Accountants
 Firm Reg. No.08567C



Priyanka Jain

CA Priyanka Jain
 Partner
 M.NO.423088
 UDIN: 21423088AAACJ8118
 Place: New Delhi
 Date: 25.06.2021



PSMG & ASSOCIATES

CHARTERED ACCOUNTANTS

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Independent Auditors' Report on the Quarterly and Year to date Consolidated Financial Results of The State Trading Corporation of India Limited Pursuant to the Regulation 33 of the SEBI (Listing obligation and Disclosure Requirements) Regulation 2015

The Board of Directors of The State Trading Corporation of India

Report on the Audit of the Consolidated Financial Results

Qualified Opinion

We have audited the accompanying Statement of Consolidated Financial Results of **The State Trading Corporation of India Limited (hereinafter referred to as "the Holding Company")** and its subsidiary (the Holding Company and its subsidiary together referred to as the "Group"), for the quarter and year ended 31st March 2021 ("the Statement "), attached herewith, being submitted by the Holding Company pursuant to the requirement of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended ("the Listing Regulations") including relevant circulars issued by SEBI from time to time.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate audited financial statements / financial information of the subsidiary, the aforesaid consolidated financial results except for the effects of matter described in the Basis for Qualified Opinion Section:



- i. include the annual financial results of STCL Limited (subsidiary)
- ii. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting standards and other accounting principles generally accepted in India of the consolidated net loss and consolidated other comprehensive loss and other financial information for the quarter and year ended on 31st March 2021.

Basis for Qualified Opinion

a. Non provision in respect of the items / matters as indicated below, has resulted in the loss being shown understated by Rs. 221.19 crores for the year

- i. For not providing firm liability of Rs. 3.92 Crores from one of the party, M/s Lichen Metals Private Limited, after adjusting the deposit of Rs. 27.95 crores from Holding Company of the Party. The said Holding Company had approached for arbitration against the adjusted deposit and the arbitration award was in favor of Holding Company of the party. The Holding Company had filed an appeal before the Hon'ble single bench of High Court against the arbitration award. However, under the Order passed by the Hon'ble Calcutta High Court, the Holding Company has deposited an amount of Rs 31.92 Crores on losing the case being the adjusted deposit with interest and made a provision for Rs. 27.95 Crores in the books of accounts in the current year.
- ii. For not providing firm Liability of Rs. amount of Rs. 6.96 Crore 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 Holding company has filed legal and criminal cases against the party.
- iii. An amount of Rs.4.98 crores representing unpaid sales tax liability shown as a contingent liability against which the Holding Company has not provided firm liability although the Holding Company has lost the court case in Indian Council of Arbitration.
- iv. The Holding Company has Deferred Tax Asset worth Rs. 73.01 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, negative net worth of the Holding Company and decision of the board of directors regarding Non operative status of the Holding Company dated 05.04.2021. Accordingly, the Deferred tax should be reversed and therefore loss for the year is understated by 73.01 crore
- v. 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.

As a result of matters contained in paras (a) (i) to (v) above, loss for the year is understated by Rs. 221.19 crores, with consequential effect on 'Retained earnings' by the same amount, understatement of 'liabilities' by Rs. 148.18 crore and overstatement of Non-Current assets by Rs.73.01 crores.

b. The Holding Company has not complied with:



- i. Ind AS 10 (regarding Events Occurring after balance sheet date) by not taking into consideration the accounting effects of resolution of The Board of Directors dated 05.04.2021 regarding non-operating status of the Holding Company.
- ii. 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.
- iii. Ind AS 116, (regarding Leases) by not ascertaining the carrying value of leasehold properties in case of Jawahar Vyapar Bhawan, Malviya Nagar Housing Colony, and plot at Mallet Blunder, Mumbai port trust. Due to unavailability of the lease period in these cases, the impact of the same is not ascertainable.

c. The impact of the following is not ascertainable:

- i. In the view of the default by the Holding company in paying due interest amount to the banks, the Holding Company was declared NPA. The lender banks have initiated DRT proceedings against the Holding company. The memorandum of the OTS (MOTS) proposal with lender banks is 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. (Refer Note No. 3 of the attached results)
- ii. In view of the non-availability of confirmation of balances of receivables and payables (including direct & indirect taxes).
- iii. 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 Game, as well as the flats/area of land sold by the Holding company to Handicrafts and Handloom Exports Corporation of India limited (HHEC) for its Housing colony.
- iv. For not making credit impairment of trade receivables Rs. 921.91 Crore & Claim Receivables Rs. 6.78 Crore, making a total of Rs. 928.69 crore since the Holding company feels that even if no amount would eventually be recovered, provision is not required as the creditor will be paid by the Holding Company only to the extent the amount is realized against such trade receivables, though in most of the cases agreements are not tripartite.

Further in case of M/s Rajat Pharmaceuticals Ltd (RPL) who drew bills of exchange on the Holding Company which were accepted upon receipt of overseas buyer's pre-acceptance to the Holding Company'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 Crs. approx. has been passed by Hon'ble Bombay High Court in favour of the Holding Company's 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 Bombay. The matter is also under investigation by Central Bureau of Investigation (CBI). Banks & Financial institution have filed legal suit against RPL before DRT making the Holding Company also a party to the case claiming Rs. 476.47 Crore.

For matters other than RPL, as all these matters are sub-judice and/or under investigation of CBI we are unable to comment upon the same.



- v. Customer at credit includes amount payable to U.P. Government amounting to Rs 6.03 Crores. As informed by the Branch management, Branch has made various other claims on U.P Government and accordingly dues of Rs. 39.11 Crores is recoverable from U.P. Government for which debit note dated March 10, 2014 was raised. However, the said claim was not recognised in the financial results of the branch till date, as its ultimate collection was not certain. In absence of information on acceptability of the said claim by UP Government, we are unable to ascertain its possible impact, if any, on the financial results of the Holding Company.
- vi. As per letter no. L&DO/L-IIA/1236/574 dated 19.12.2019, L&DO has demanded interest @ 10% till the payment is being made by the Holding Company, the effect of the same is not considered in the books as on reporting date, which has resulted in understatement of loss. The amount of the interest subsequent to the above letter of L&DO dated 19.12.2019 cannot be quantified due to lack of information in the said regard.

In the report of the subsidiary company, STCL Limited (STCL), the auditor has given a qualified opinion as below:

- vii. STCL has not provided interest from FY 2018-19 on Cash Credit and Packing Credit advances availed from the consortium of banks on the ground that the prevailing rate of interest is low in comparison to interest provided in earlier years and confirmation of balance from the banks has not been received by STCL. Due to non-provision of interest, the loss has been understated by Rs 27,16,62,75,589/- with consequential reduction in bank liabilities. However STCL has shown the above amount as contingent liabilities in the notes to accounts.
- viii. STCL has received Grant from VITC (Visvesvaraiya Industrial Trade Centre) under ASIDE Scheme amounting Rs.1,20,00,000/- for Export Promotion during the year 2006-07 towards Chillyftds Processing Centre-Byadgi. Grant in Aid has been received amounting to Rs, 6,29,00,000/- during the year 2008-09, for Steam Sterilization plant at Chinddawara. STCL has amortized depreciation on assets for which grants were received, at WDV method and has reduced the same from the grants. However, from the FY 2019-20 no grants have been amortized since the possession of such assets for such grant availed has been taken over by the consortium of lenders.

Due to non-availability of conditions relating to disposal or compulsory acquisition, we are unable to opine on the treatment given by STCL in the financial statement on the un-amortized portion of grant to the tune of Rs.1,10,09,432.

ix. **Material Uncertainty related to Going Concern:**

The Holding Company has incurred a net loss of Rs. 112.84 crore during the year ended 31st March 2020 and Rs. 47.70 crore during the year ended March 31, 2021 and, as of that date, the Company's liquidity position is not strong enough as is evident from the fact that the Current Liabilities exceeded its Current assets by 923.24 crore and net worth is positive only on account of revaluation reserve .Also considering the high value of contingent liabilities amounting to Rs.867.67, significant decrease in the sales volume of the Company and the matter of continuous losses and negative net current assets ,there could be material uncertainty for the Company to continue as a going concern. Further, The Board Of Directors of Company on 05.04.2021 passed a resolution to continue business of Company as non-operating Company.

In the report of the subsidiary company, STCL Limited (STCL), the auditor has given a qualified opinion as below:



The accounts of STCL are prepared based on the assumption that it is not a going concern due to following reasons:

i) The Shareholders of STCL in their Extraordinary General Meeting held on 12.09.2013 had approved winding up of the Company under 433 (a) of the Companies Act, 1956.

ii) Department of Commerce, Ministry of Commerce and Industry vide its letter dated 26.08.2013 had conveyed approval of the Union Cabinet for winding up of STCL and to offer Voluntary Separation Scheme (VSS) to the Employees.

iii) Company had filed winding up petition before the Hon'ble High Court of Karnataka on 26.11.2013.

Accordingly, STCL has drawn the accounts on Liquidation basis i.e., assets have been revalued on realizable basis, whereas the liabilities towards the bank have been stated at book value, in view of legal cases initiated by the banks against STCL for recovery of their dues and all other liabilities at their settlement value.

These events or conditions indicate that a material uncertainty exists that may cast significant doubt on STCL ability to continue as a going concern. Our opinion is not modified in respect of this matters.

We conducted our audit in accordance with the standards of the auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the statement section of this report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountant of India together with ethical requirements that are relevant to our audit of the statements under the provisions of the Act and rules thereunder and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters:

- a. Contingent Liabilities which includes an amount of Rs. 1.30 Crores in respect of pending sales tax liability. The Holding 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 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. Reference is invited to Note No. 4 of the attached Consolidated Financial Results in respect of litigation matters, their present status and provisioning, if any, required and on-going investigations into the alleged irregularities; further, the Holding 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 financial statements as provision is not ascertainable.
- c. We refer to Note No. 8 of the attached Consolidated financial statements relating to challenges faced by the Holding Company due to Covid-19, the impact of which in future period cannot be ascertained as on date.

Our conclusion is not modified in respect of these matters.

Management's Responsibility for the Consolidated Financial Results



These Statements have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the consolidated net loss and consolidated other comprehensive loss and other financial information of the Group in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for 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 accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.

In preparing the Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the statement 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 Consolidated financial results.

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

- Identify and assessed the risks of material misstatement of the 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 with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors’.
- Conclude on the appropriateness of the Board of Directors ‘use of the 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 results 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 statements, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Holding Company 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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable

Other Matters

1. The statement include the results for the quarter ended 31st March 2021 and the corresponding quarter ended in the previous year as reported in these Consolidated financial results which are the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year and previous financial year respectively , which were subjected to limited review, as required under the Listing Regulations.



2. The Statement include the audited financial statements and other financial information of subsidiary, STCL Limited whose financial statements reflect Group's share of total assets of Rs. 3.01 crore as at 31st March 2021, Group's share of total revenue of Rs. 0.14 Crores ended 31st March 2021 and Group's share of total net profit after tax (including other comprehensive income) of Rs. 0.77 crore year ended 31st March 2021 which have been audited by the respective independent auditor. The independent auditors' reports on financial statements of this entity have been furnished to us and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Our conclusion is not modified in respect of these matters.

For and on the behalf of
PSMG & ASSOCIATES
Chartered Accountants
Firm Reg. No.008567C

Priyanka Jain
CA Priyanka Jain
Partner
M.NO.423088
UDIN:21423088AAACJD2813



Place: New Delhi
Date: 25.06.2021

THE STATE TRADING CORPORATION OF INDIA LTD
Balance Sheet as at March 31, 2021

(Rs. Crore)

Particulars	Standalone		Consolidated	
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	573.55	584.01	573.56	584.02
(b) Capital work-in-progress	1.83	0.45	1.83	0.45
(c) Investment property	297.76	302.68	297.76	302.68
(d) Other intangible assets	0.01	0.01	0.01	0.01
(e) Financial Assets :				
(i) Investments	0.01	0.01	0.01	0.01
(ii) Trade receivables	928.69	966.85	928.69	966.85
(iii) Loans	13.87	5.90	13.87	5.90
(iv) Other Financial Assets	17.57	54.76	17.58	54.77
(f) Deferred tax assets (net)	86.49	86.49	86.49	86.49
(g) Other non-current assets	4.55	6.32	4.55	6.33
Sub total	1,924.33	2,007.48	1,924.35	2,007.51
Current Assets				
(a) Inventories	0.04	0.22	0.04	0.22
(b) Financial Assets :				
(i) Trade receivables	138.25	171.09	138.25	171.09
(ii) Cash & cash equivalents	86.42	23.17	88.34	26.10
(iii) Bank Balances other than (ii) above	-	23.26	0.18	23.44
(iv) Loans	35.73	14.56	35.91	14.73
(v) Other Financial Assets	134.13	216.37	134.18	216.42
(c) Tax Assets (Net)	31.87	32.60	32.02	32.89
(d) Other Current Assets	7.21	6.54	7.72	6.99
(e) Other non current assets held for disposal	-	0.01	-	0.01
Sub total	433.65	487.82	436.64	491.89
Total Assets	2,357.98	2,495.30	2,360.99	2,499.40
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	60.00	60.00	60.00	60.00
(b) Other Equity	(169.20)	(121.51)	(4,733.42)	(4,606.50)
Sub total	(109.20)	(61.51)	(4,673.42)	(4,626.50)
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	-	-	-	-
(ii) Trade payables -MSME	968.65	989.09	968.65	989.09
(iii) Trade payables -Others	27.10	36.92	27.08	36.89
(iv) Other Financial Liabilities	108.50	113.14	108.92	113.49
(b) Provisions	6.04	7.16	6.04	7.17
(c) Other non-current liabilities	-	-	-	-
Sub total	1,110.29	1,146.31	1,110.69	1,146.64
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	806.23	806.23	1,986.87	1,988.95
(ii) Trade payables -MSME	152.28	197.17	153.40	198.30
(iii) Trade payables -Others	339.33	288.08	3,722.91	3,671.44
(iv) Other Financial Liabilities	54.82	64.43	5.49	65.61
(b) Provisions	4.23	5.49	5.49	65.61
(c) Other current liabilities	-	-	-	-
Sub total	1,356.89	1,410.50	5,923.72	5,979.26
Total Equity and Liabilities	2,357.98	2,495.30	2,360.99	2,499.40

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 Period ended on 31st March 2021 were reviewed by the Audit Committee on 25.06.2021 and approved by the Board of Directors in its meeting held on 25.06.2021
- 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. 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 "as is where is basis" as a full and final settlement.
- Out of the total trade receivable of Rs. 1694.24 Crore includes Rs. 678.18 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.
- 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 disputed the demand and the matter is still pending.
- The Company is a CPSE under administrative control of the Ministry of Commerce & Industry. The Company was incorporated primarily for the business of trade with State Trading Organizations of various countries. The company had 7 (seven) Branch offices and 3 (three) Representative offices located all over the country. For almost a decade, the company incurred operating losses due to huge recoverable from defaulting associates. Due to this, the Company faced precarious financial conditions, operating losses and negative net worth, etc. The company initiated legal action against the defaulting associates. The Company is vigorously following up for finalisation of OTS with lender Banks after signing of the Memorandum of OTS. During the year under reference the company had undertaken various cost reduction measures to improve the liquidity such as closure of all branches (except Agra) and introduction of VRS. The company undertook some trade in commodities without involvement of STC's funds during the year. Considering the directions of MOC&I, the company has recently stopped its trade operations and business activities. Further, The Board of Directors in a meeting held on 05.04.2021 decided that the company as non-operative from the year 2021-22 onwards. It was further decided that the accounts of FY 2021-22 onwards shall be prepared on non-going concern basis. Accordingly, the following are summarised -
 - The accounts for the current year have been prepared on going concern basis.
 - The company is continuing to carry forward deferred tax assets for the time being.
 - No provision for impairment of non-current assets has been considered necessary.
 - Depreciation is being computed on the basis of expected economic life of fixed assets rather than their current market value.
 - As a cost cutting measure, VRS was introduced in STC in Nov'20 with the eligibility criteria covering all employees irrespective of length of service.



7) Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of Rs 3.30 Crore (Net). The effect of this adoption is insignificant on the profit for the period and earnings per share.

8) The nation-wide lockdown imposed for COVID-19 was lifted partially on 03.05.2020. Since then, company has resumed operations at its corporate and branch offices with minimal staff while adopting safety measures and following standard operating procedures for social distancing as mandated by Ministry of Home Affairs, Govt. of India.

Despite the constraints of lockdown, the Company ensured timely deliveries of essential items viz. edible oil, pulses and sugar to the Tamil Nadu Civil Supplies Corporation. Most of the operations were undertaken through e-processing during lockdown.

However, due to the unpredictable and fast changing Covid-19 situation, it is very difficult to assess the future impact of Covid-19 on 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.

Moreover, employee safety has now become the prime concern in the wake of COVID-19 pandemic. Compliance in respect of ensuring safety and social distancing at office premises has been of utmost importance. Practices like 'Roster Duty' and 'Work from Home' have also been adopted. Regular disinfection of office premises, supply of masks and sanitizers to the employees has been made an essential component of keeping employees safe.

There has not been major impact on the financial performance due to the Covid-19 pandemic as the Company has undertaken limited business operations.

9) Figures of last quarter are the balancing figures between audited figures in respect of the full financial year & the published year to date figure upto the third Quarter of the current financial year.

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

As per our report of even date attached
For PSMG & Associates
Chartered Accountants
Firm Reg. No. 008567C



(CA PRIYANKA JAIN)
Partner
M. No. 423088
Place: New Delhi
Dated: 25.06.2021



 (25.6.21)

(S.K SHARMA)
Director (Personnel)
with additional
charge of CMD

DIN -06942536

 25/6/21

(ROOPA NAGRATH)
GM-F & CFO



THE STATE TRADING CORPORATION OF INDIA LTD.
Statement of Financial Results for the Period ended Mar 31st, 2021
CIN: L74899DL1956GOI002674

Annexure-II
(Rs. crore)

Particulars	STANDALONE					CONSOLIDATED				
	Quarter ended 31.03.2021	Quarter ended 31.12.2020	Quarter ended 31.03.2020	Year ended March 31, 2021	Year ended March 31, 2020	Quarter ended 31.03.2021	Quarter ended 31.12.2020	Quarter ended 31.03.2020	Year ended March 31, 2021	Year ended March 31, 2020
	(audited)	(audited)	(audited)	(audited)	(audited)	(audited)	(audited)	(audited)	(audited)	(audited)
Income										
Revenue from Operations	2.10	14.76	204.39	249.81	2,936.74	2.10	14.76	204.39	249.81	2,936.74
Other Income	15.16	14.27	15.43	57.48	78.24	14.09	14.27	15.44	57.61	78.28
Total Income	17.26	29.03	219.82	307.29	3,014.98	16.19	29.03	219.83	307.42	3,015.02
Expenses										
Cost of materials consumed	(0.05)	-	-	-	-	(0.05)	-	-	-	-
Purchases of Stock in trade	2.84	12.01	203.11	244.75	2,927.06	2.84	12.01	203.11	244.75	2,927.06
Change in Inventory	0.10	-	(0.10)	0.10	(0.10)	0.10	-	(0.10)	0.10	(0.10)
Employees' Benefit Expenses	32.58	13.90	17.21	81.65	81.33	32.84	14.09	17.75	82.47	82.44
Finance Cost	0.43	0.50	(0.16)	1.93	7.27	0.43	0.50	(0.16)	1.93	7.27
Depreciation & Amortization Expenses	4.56	3.69	5.89	15.88	15.26	4.57	3.69	5.90	15.89	15.50
Other Expenses	3.51	4.20	6.25	14.96	22.40	3.54	4.26	6.36	15.15	22.75
Total expenses	43.97	34.30	232.20	359.27	3,053.22	44.27	34.55	232.86	360.29	3,054.92
Profit before exceptional items and tax	(26.71)	(5.27)	(12.38)	(51.98)	(38.24)	(28.08)	(5.52)	(13.02)	(52.87)	(39.90)
Exceptional Items - Expense /(Income)	(0.33)	(0.24)	(6.64)	(0.75)	75.39	(0.08)	(2.36)	(6.30)	(2.62)	74.19
Profit Before Tax	(26.38)	(5.03)	(5.74)	(51.23)	(113.63)	(28.00)	(3.16)	(6.72)	(50.25)	(114.09)
Tax expense										
(i) Current tax	-	-	-	-	-	-	-	-	-	-
(i) Tax related to earlier years	-	-	-	-	-	0.20	-	-	0.20	-
(ii) Deferred tax	-	-	-	-	-	-	-	-	-	-
Profit for the period from continuing operations (A)	(26.38)	(5.03)	(5.74)	(51.23)	(113.63)	(28.20)	(3.16)	(6.72)	(50.45)	(114.09)
Profit/(loss) from discontinued operations	-	-	-	-	-	-	-	-	-	-
Tax expense of discontinued operations	-	-	-	-	-	-	-	-	-	-
Profit from discontinued operations after tax (B)	-	-	-	-	-	-	-	-	-	-
I Profit for the period (A+B)	(26.38)	(5.03)	(5.74)	(51.23)	(113.63)	(28.20)	(3.16)	(6.72)	(50.45)	(114.09)
II Other Comprehensive Income										
Items that will not be reclassified to profit or loss										
- Remeasurements of the defined benefit plans	3.53	-	0.79	3.53	0.79	3.53	-	0.79	3.53	0.79
Less: Income Tax on Above	-	-	-	-	-	-	-	-	-	-
Items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-	-	-
Total of Other Comprehensive Income	3.53	-	0.79	3.53	0.79	3.53	-	0.79	3.53	0.79
Total Comprehensive Income for the period	(22.85)	(5.03)	(4.95)	(47.70)	(112.84)	(24.67)	(3.16)	(5.93)	(46.92)	(113.30)
Paid up equity share capital (Face value of Rs. 10/- each)	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00
Other Equity excluding Revaluation Reserves	-	-	-	(1,053.81)	(1,006.11)	-	-	-	(5,619.43)	(5,572.52)
Earnings per equity share :										
(1) Basic (in Rupees)	(3.81)	(0.84)	(0.82)	(7.95)	(18.81)	(4.11)	(0.53)	(0.99)	(7.82)	(18.88)
(2) Diluted (in Rupees)	(3.81)	(0.84)	(0.82)	(7.95)	(18.81)	(4.11)	(0.53)	(0.99)	(7.82)	(18.88)



Segment-wise Revenue, Results, Assets & Liabilities

(Rs. crore)

Particulars	STANDALONE					CONSOLIDATED				
	Quarter ended 31.03.2021	Quarter ended 31.12.2020	Quarter ended 31.03.2020	Year ended March 31, 2021	Year ended March 31, 2020	Quarter ended 31.03.2021	Quarter ended 31.12.2020	Quarter ended 31.03.2020	Year ended March 31, 2021	Year ended March 31, 2020
	(audited)	(audited)	(audited)	(audited)	(audited)	(audited)	(audited)	(audited)	(audited)	(audited)
1. Segment revenue										
a) Export	1.85	-	2.58	1.85	13.11	1.85	-	2.58	1.85	13.11
b) Import	(0.06)	12.19	0.87	12.13	2,536.12	(0.06)	12.19	0.87	12.13	2,536.12
c) Domestic	0.31	2.57	200.94	235.83	387.51	0.31	2.57	200.94	235.83	387.51
Total	2.10	14.76	204.39	249.81	2,936.74	2.10	14.76	204.39	249.81	2,936.74
Less -Inter-segment revenue	-	-	-	-	-	-	-	-	-	-
Revenue from operations	2.10	14.76	204.39	249.81	2,936.74	2.10	14.76	204.39	249.81	2,936.74
2. Segment results - Profit /(Loss) before tax and interest from each segment										
a) Export	-	1.81	0.16	1.81	1.98	-	1.81	0.16	1.81	1.98
b) Import	(0.33)	(0.07)	(0.15)	(0.25)	(0.62)	(0.33)	(0.07)	(0.15)	(0.25)	(0.62)
c) Domestic	(0.46)	0.99	3.80	3.28	7.28	(0.46)	0.99	3.80	3.28	7.28
Total	(0.79)	2.73	3.81	4.84	8.64	(0.79)	2.73	3.81	4.84	8.64
Less:(i) Finance cost	0.43	0.50	0.33	1.93	7.27	0.43	0.50	0.33	1.93	7.27
(ii) Other unallocable expenditure net off Unallocable income	25.16	7.26	15.15	54.14	115.00	27.29	5.39	14.17	53.67	114.53
Profit before Tax	(26.38)	(5.03)	(5.74)	(51.23)	(113.63)	(28.00)	(3.16)	(6.72)	(50.25)	(114.09)
3. Segment Assets										
a) Export	(969.54)	1,059.90	1,055.77	90.36	1,055.77	(969.54)	1,059.90	1,055.77	90.36	1,055.77
b) Import	306.26	79.10	75.88	385.36	75.88	306.26	79.10	75.88	385.36	75.88
c) Domestic	(14.71)	14.71	94.50	-	94.50	(14.71)	14.71	94.50	-	94.50
d) Unallocated	638.06	1,244.20	1,269.15	1,882.26	1,269.15	637.53	1,247.74	1,273.14	1,885.27	1,273.14
Total	(39.93)	2,397.91	2,495.30	2,357.98	2,495.30	(40.46)	2,401.45	2,499.29	2,360.99	2,499.29
4. Segment Liabilities										
a) Export	(1,080.13)	1,186.61	1,184.88	106.48	1,184.88	(1,080.13)	1,186.61	1,184.88	106.48	1,184.88
b) Import	159.17	330.79	324.64	489.96	324.64	159.17	330.79	324.64	489.96	324.64
c) Domestic	(45.74)	45.74	114.12	-	114.12	(45.74)	45.74	114.12	-	114.12
d) Unallocated	949.50	921.24	933.17	1,870.74	933.17	950.72	5,487.26	5,502.24	6,437.98	5,502.24
Total	(17.20)	2,484.38	2,556.81	2,467.18	2,556.81	(15.98)	7,050.40	7,125.88	7,034.42	7,125.88



THE STATE TRADING CORPORATION OF INDIA LTD.
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(Rs. Crore)

Particulars	For the Year Ended 31st March, 2021		For the Year Ended 31st March, 2020	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit /(Loss) Before Tax		(51.22)		(113.63)
Adjustment for:				
-Interest on loans			-	
-Depreciation	15.88		15.26	
-Net write back of Debts/Advances/claims/Liabilities/Assets	(5.49)		(30.01)	
-Income/Expenditure relating to let out property	(44.91)		(41.31)	
- Interest Income on fixed deposits/Investments	(7.95)		(28.02)	
-Loss on sale of asset	0.01		0.01	
-Profit on sale of assets	(0.11)	(42.57)	(0.02)	(84.09)
Operating Profit Before Working Capital Changes		(93.78)		(197.72)
Adjustment for:				
-Trade and other receivables		(20.06)		(88.84)
-Inventories		0.18		(0.06)
-Trade and other payables		(80.81)		(169.39)
Changes In Working Capital		(194.47)		(456.01)
Income Tax Paid				4.70
Net Cash Generated/Used In Operating Activities (A)		(194.47)		(451.31)
B. CASH FLOW FROM INVESTING ACTIVITIES:				
-Purchase of Fixed Assets		(2.36)		(0.14)
-Sale of Fixed Assets		0.44		0.02
-Proceeds Received from T-Bills/Deposits		91.76		306.65
-Interest received		7.95		28.02
-Let out properties (net)		44.91		41.31
Net Cash From Investing Activities (B)		142.70		375.86
C. CASH FLOW FROM FINANCING ACTIVITIES :				
-Increase in loans				(200.00)
-Interest Paid				-
Net Cash From Financing Activities (C)				(200.00)
Net Increase/Decrease In Cash And Cash Equivalents (A+B+C)		(51.77)		(275.45)
Reconciliation of Cash & Cash Equivalents				
Closing Cash & Bank Balances as per Balance Sheet		189.61		241.38
Opening Cash & Bank Balances as per Balance Sheet		241.38		516.83
Cash & Bank Balances as per Cash Flow Statement		(51.77)		(275.45)
Cash & cash equivalents as per Balance Sheet*		189.61		241.38
Less : Non readily convertible Bank Deposits		103.19		218.18
Cash & cash equivalents as per cash flow statement		86.42		23.17
Cash & cash equivalents includes unpaid dividend		-		0.03

* 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 PSMG & Associates**

Chartered Accountants
Firm Reg. No. 008567C

Priyanka Jain

(CA PRIYANKA JAIN)

Partner

M. No. 423088

Place: New Delhi

Dated: 25.06.2021



Susanna 25.6.21

(S.K SHARMA)

Director (Personnel) with
additional charge of CMD

DIN -06942536

Vipin Tripathi
25/06/2021

(VIPIN TRIPATHI)

Company Secretary ACS -29378

Roopa Nagrath
(ROOPA NAGRATH)
GM-F & CFO 25/6/21



THE STATE TRADING CORPORATION OF INDIA LTD.
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(Rs. Crore)

Particulars	For the Year Ended 31st March, 2021		For the Year Ended 31st March, 2020	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit /(Loss) Before Tax		(50.44)		(114.09)
Adjustment for:				
-Interest on loans			-	
-Depreciation	15.88		15.51	
-Net write back of Debts/Advances/claims/Liabilities/Assets	(5.49)		(30.02)	
-Income/Expenditure relating to let out property	(44.91)		(41.31)	
- Interest Income on fixed deposits/Investments	(8.09)		(28.06)	
-Loss on sale of asset	0.01		0.01	
-Amortisation of grants	-		-	
-Profit on sale of assets	(0.11)	(42.70)	(0.02)	(83.89)
Operating Profit Before Working Capital Changes		(93.14)		(197.98)
Adjustment for:				
-Trade and other receivables		(19.99)		(86.91)
-Inventories		0.18		(0.06)
-Trade and other payables		(80.59)		(168.95)
Changes in Working Capital		(193.54)		(453.90)
Income Tax Paid		-		4.70
Net Cash Generated/Used In Operating Activities (A)		(193.54)		(449.20)
B. CASH FLOW FROM INVESTING ACTIVITIES:				
-Purchase of Fixed Assets		(2.37)		(0.14)
-Sale of Fixed Assets		0.44		0.02
-Proceeds Received from T-Bills/Deposits		91.76		306.66
-Interest received		8.09		28.06
-Let out properties (net)		44.91		41.31
Net Cash From Investing Activities (B)		142.83		375.91
C. CASH FLOW FROM FINANCING ACTIVITIES :				
-Increase in loans		(2.08)		(200.00)
-Interest Paid		-		-
Net Cash From Financing Activities (C)		(2.08)		(200.00)
Net Increase/Decrease In Cash And Cash Equivalents (A+B+C)		(52.79)		(273.29)
Reconciliation of Cash & Cash Equivalents				
Closing Cash & Bank Balances as per Balance Sheet		191.53		244.50
Opening Cash & Bank Balances as per Balance Sheet		244.32		517.78
Cash & Bank Balances as per Cash Flow Statement		(52.79)		(273.28)
Cash & cash equivalents as per Balance Sheet		191.53		244.50
Less : Non readily convertible Bank Deposits		103.37		218.36
Cash & cash equivalents as per cash flow statement		88.34		26.11
Cash & cash equivalents includes unpaid dividend				0.03

* 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 PSMG & Associates

Chartered Accountants

Firm Reg. No. 008567C

Priyanka Jain

(CA PRIYANKA JAIN)

Partner M. No. 423088

Place: New Delhi

Dated: 25.06.2021

(S.K SHARMA)

(S.K SHARMA)

Director (Personnel) with
additional charge of CMD

DIN -06942536

(VIPIN TRIPATHI)

(VIPIN TRIPATHI)

Company Secretary ACS -29378

(RUCHI NAGRATH) 25/6/21
GM-F & CFO



THE STATE TRADING CORPORATION OF INDIA LTD.
Statement of Financial Results for the Period ended Mar 31st, 2020
 CIN: L74899DL1956GOI002674

Annexure III
(Rs. Crore)

S.NO.	PARTICULARS	STANDALONE					CONSOLIDATED				
		Quarter ended 31.03.2021	Quarter ended 31.12.2020	Quarter ended 31.03.2020	Year ended March 31, 2021	Year ended March 31, 2020	Quarter ended 31.03.2021	Quarter ended 31.12.2020	Quarter ended 31.03.2020	Year ended March 31, 2021	Year ended March 31, 2020
		(audited)	(unaudited)	(unaudited)	(audited)	(audited)	(audited)	(unaudited)	(unaudited)	(audited)	(audited)
1	Total income from operations	2.10	14.76	204.39	249.81	2,936.74	2.10	14.76	204.39	249.81	2,936.74
2	Net Profit /(Loss) for the period (before tax, exceptional and/or Extraordinary items)	(26.71)	(5.27)	(12.38)	(51.98)	(38.24)	(28.08)	(5.52)	(13.02)	(52.87)	(39.90)
3	Net Profit /(Loss) for the period before tax (after Exceptional and/or Extraordinary items)	(26.38)	(5.03)	(5.74)	(51.23)	(113.63)	(28.00)	(3.16)	(6.72)	(50.25)	(114.09)
4	Net Profit /(Loss) for the period after tax (after Exceptional and/or Extraordinary items)	(26.38)	(5.03)	(5.74)	(51.23)	(113.63)	(28.20)	(3.16)	(6.72)	(50.45)	(114.09)
5	Total comprehensive income for the period [comprising Profit/ (Loss) for the period (after Tax) and other comprehensive income (after tax)]	(22.85)	(5.03)	(4.95)	(47.70)	(112.84)	(24.67)	(3.16)	(5.93)	(46.92)	(113.30)
6	Equity Share Capital	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00
7	Other Equity excluding Revaluation Reserves	-	-	-	(1,053.81)	(1,006.11)	-	-	-	(5,512.52)	(5,459.22)
8	Earning per share (of Rs. 10/- each) (for continuing and discontinued operations) (not Annualized):										
	(a) Basic (in Rupees)	(3.81)	(0.84)	(0.82)	(7.95)	(18.81)	(4.11)	(0.53)	(0.99)	(7.82)	(18.88)
	(b) Diluted (in Rupees)	(3.81)	(0.84)	(0.82)	(7.95)	(18.81)	(4.11)	(0.53)	(0.99)	(7.82)	(18.88)

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 Period ended on 31st March 2021 were reviewed by the Audit Committee on 25.06.2021 and approved by the Board of Directors in its meeting held on 25.06.2021
 - 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. 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 "as is where is basis" as a full and final settlement.
 - 4) Out of the total trade receivable of Rs. 1694.24 Crore includes Rs. 678.18 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.
 - 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 disputed the demand and the matter is still pending.
 - 6) The Company is a CPSE under administrative control of the Ministry of Commerce & Industry. The Company was incorporated primarily for the business of trade with State Trading Organizations of various countries. The company had 7 (seven) Branch offices and 3 (three) Representative offices located all over the country. For almost a decade, the company incurred operating losses due to huge recoverable from defaulting associates. Due to this, the Company faced precarious financial conditions, operating losses and negative net worth, etc. The company initiated legal action against the defaulting associates. The Company is vigorously following up for finalisation of OTS with lender Banks after signing of the Memorandum of OTS.
- During the year under reference the company had undertaken various cost reduction measures to improve the liquidity such as closure of all branches (except Agra) and introduction of VRS. The company undertook some trade in commodities without involvement of STC's funds during the year. Considering the directions of MOC&I, the company has recently stopped its trade operations and business activities. Further, The Board of Directors in a meeting held on 05.04.2021 decided that the company as non-operative from the year 2021-22 onwards. It was further decided that the accounts of FY 2021-22 onwards shall be prepared on non-going concern basis.
- Accordingly, the following are summarised –
- a. The accounts for the current year have been prepared on going concern basis.
 - b. The company is continuing to carry forward deferred tax assets for the time being.
 - 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.
 - e. As a cost cutting measure, VRS was introduced in STC in Nov'20 with the eligibility criteria covering all employees irrespective of length of service.
- 7) Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of Rs 3.30 Crore (Net). The effect of this adoption is insignificant on the profit for the period and earnings per share.



8) The nation-wide lockdown imposed for COVID-19 was lifted partially on 03.05.2020. Since then, company has resumed operations at its corporate and branch offices with minimal staff while adopting safety measures and following standard operating procedures for social distancing as mandated by Ministry of Home Affairs, Govt. of India. Despite the constraints of lockdown, the Company ensured timely deliveries of essential items viz. edible oil, pulses and sugar to the Tamil Nadu Civil Supplies Corporation. Most of the operations were undertaken through e-processing during lockdown.

However, due to the unpredictable and fast changing Covid-19 situation, it is very difficult to assess the future impact of Covid-19 on 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.

Moreover, employee safety has now become the prime concern in the wake of COVID-19 pandemic. Compliance in respect of ensuring safety and social distancing at office premises has been of utmost importance. Practices like 'Roster Duty' and 'Work from Home' have also been adopted. Regular disinfection of office premises, supply of masks and sanitizers to the employees has been made an essential component of keeping employees safe. There has not been major impact on the financial performance due to the Covid-19 pandemic as the Company has undertaken limited business operations.

9) Figures of last quarter are the balancing figures between audited figures in respect of the full financial year & the published year to date figure upto the third Quarter of the current financial year.

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


By order of the Board of Directors

As per our report of even date attached
For PSMG & Associates
Chartered Accountants
Firm Reg. No. 008567C


(CA PRIYANKA JAIN)

PartnerM. No. 423088
Place: New Delhi
Date: 25.06.2021




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


(Shorma Nagrath)
GM-F & CFO 25/6/21



THE STATE TRADING CORPORATION OF INDIA LIMITED, NEW DELHI

ANNEXURE-1

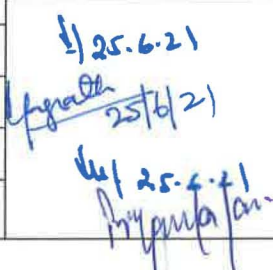
Statement of impact of Audit Qualification for the Financial Year ended 31.03.2021 along with Annual Audited Financial Results - (Standalone)

(Rs. Crore)

I	S.No.	Particulars	Audited Figures as reported before adjusting for qualifications	Audited Figures as reported after adjusting for qualifications
	1	Total Income	307.29	307.29
	2	Total Expenditure	354.99	576.18
	3	Net Profit/(Loss)	(47.70)	(268.89)
	4	Earning per share	(7.95)	(44.82)
	5	Total Assets	2,357.98	2,264.01
	6	Total Liabilities	2,467.18	2,604.48
	7	Net Worth (excluding Revaluation Reserve)	(993.80)	(1,225.07)
	8	Any other financial item (as felt appropriate by the management)	Nil	
II	Audit qualification			
1	a. Details of Audit Qualification	<p>For not providing firm liability of Rs. 3.92 Crores from one of the party, M/s Lichen Metals Private Limited, after adjusting the deposit of Rs. 27.95 crores from Holding Company of the Party. The said Holding Company had approached for arbitration against the adjusted deposit and the arbitration award was in favour of holding Company. STC had filed an appeal before the Hon'ble single bench of High Court against the arbitration award. However, under the Order passed by the Hon'ble Calcutta High Court, STC has deposited an amount of Rs 31.92 Crores on losing the case being the adjusted deposit with interest and made a provision for Rs. 27.95 Crores in the books of accounts in the current year.</p> <p>Considering the above circumstances, the non-provision of the balance amount of Rs. 3.92 crores has resulted in the loss being shown lower by Rs. 3.92 crores with consequential effect on Retained earnings and overstatement of claim recoverable by the same amount.</p>		
	b. Type of Audit Qualification:	Qualified Opinion		
	c. Frequency of Qualification	Repeat		
	d. For Audit qualification, whether the impact is quantified by the audit, management's view	<p>Non-Current Claim Recoverable includes Rs 3.92 Crore from M/s Lichen Metals (the party) out of total exchange gain of Rs 31.87 Crore 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. 27.95 Crore taken from holding company (M/s Edelweiss) of the party leaving a recoverable balance of Rs 3.92 Crore. 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. 31.92 Crore with Hon'ble High Court, Calcutta pending appeal.</p>		
2	a. Details of Audit Qualification	<p>For not providing firm Liability of Rs. 6.96 Crore 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.</p>		



4/25/16

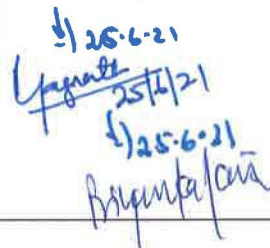
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualificaiton	First Time
	d. For Audit qualification, whether the impact is quantified by the audit, management's view	For recovery of the dues of Rs. 10.54 crore claim has been filed with NCLT through IRP. A provision of Rs. 3.58 crore has already been made against the dues. However, no provision of Rs. 6.96 crore has been made, as the said amount is secured by mortgage of freehold land. Efforts are being made for realization of dues through sale of the property.
3	a. Details of Audit Qualification	An amount of Rs.4.98 crores representing unpaid sales tax liability shown as a contingent liability against which the Company has not provided firm liability although the Company has lost the case in Indian Council of Arbitration.
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualificaiton	Repeat
	d. For Audit qualification, whether the impact is quantified by the audit, management's view	The company has further filed a case in the Honourable High Court, New Delhi and the matter is in the stage of final arguments.
4	a. Details of Audit Qualification	The Company has Deferred Tax Asset worth Rs. 73.01 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, negative net worth of the Company and decision of the board of directors regarding Non operative status of the Company dated 05.04.2021. Accordingly the Deferred tax should be reversed and therefor for loss for the year is understated by 73.01 crore with consequential effect on 'Retained earnings' by the same amount and overstatement of assets.
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualificaiton	First Time
	d. For Audit qualification, whether the impact is quantified by the audit, management's view	The company is continuing to carry forward deferred tax assets, which will be available for set of against future profits expected to be generated from reduced employee benefit cost and incremental rental income.
5	a. Details of Audit Qualification	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.
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualificaiton	First Time
	d. For Audit qualification, whether the impact is quantified by the audit, management's view	The demand of Rs. 132.32 core is yet to be crystalized by L&DO. The same shall be provided for once the final figure is intimated to the company.
	Signatories	
	> CMD	 <p>25.6.21 25/6/21 25.6.21</p>
	> CFO	
	> Audit Committee Chairman	
	> Statutory Auditor - PSMG & Associates	



THE STATE TRADING CORPORATION OF INDIA LIMITED, NEW DELHI				
ANNEXURE-1				
Statement of impact of Audit Qualification for the Financial Year ended 31.03.2021 along with Annual Audited Financial Results - (Consolidated)				
(Rs. Crore)				
I	S.No.	Particulars	Audited Figures as reported before adjusting for qualifications	Audited Figures as reported after adjusting for qualifications
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	7	Net Worth (excluding Revaluation Reserve)	(993.80)	(1,225.07)
	8	Any other financial item (as felt appropriate by the management)	Nil	
II	Audit qualification			
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	b. Type of Audit Qualification:	Qualified Opinion		
	c. Frequency of Qualification	Repeat		
	d. For Audit qualification, whether the impact is quantified by the audit, management's view	<p>Non-Current Claim Recoverable includes Rs 3.92 Crore from M/s Lichen Metals (the party) out of total exchange gain of Rs 31.87 Crore 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. 27.95 Crore taken from holding company (M/s Edelweiss) of the party leaving a recoverable balance of Rs 3.92 Crore. 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. 31.92 Crore with Hon'ble High Court, Calcutta pending appeal.</p>		
2	a. Details of Audit Qualification	<p>For not providing firm Liability of Rs. 6.96 Crore 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.</p>		



2/6

	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualification	First Time
	d. For Audit qualification, whether the impact is quantified by the audit, management's view	For recovery of the dues of Rs. 10.54 crore claim has been filed with NCLT through IRP. A provision of Rs. 3.58 crore has already been made against the dues. However, no provision of Rs. 6.96 crore has been made, as the said amount is secured by mortgage of freehold land. Efforts are being made for realization of dues through sale of the property.
3	a. Details of Audit Qualification	An amount of Rs.4.98 crores representing unpaid sales tax liability shown as a contingent liability against which the Company has not provided firm liability although the Company has lost the case in Indian Council of Arbitration.
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualification	Repeat
	d. For Audit qualification, whether the impact is quantified by the audit, management's view	The company has further filed a case in the Honourable High Court, New Delhi and the matter is in the stage of final arguments.
4	a. Details of Audit Qualification	The Company has Deferred Tax Asset worth Rs. 73.01 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, negative net worth of the Company and decision of the board of directors regarding Non operative status of the Company dated 05.04.2021. Accordingly the Deferred tax should be reversed and therefor for loss for the year is understated by 73.01 crore with consequential effect on 'Retained earnings' by the same amount and overstatement of assets.
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualification	First Time
	d. For Audit qualification, whether the impact is quantified by the audit, management's view	The company is continuing to carry forward deferred tax assets, which will be available for set off against future profits expected to be generated from reduced employee benefit cost and incremental rental income.
5	a. Details of Audit Qualification	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.
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualification	First Time
	d. For Audit qualification, whether the impact is quantified by the audit, management's view	The demand of Rs. 132.32 core is yet to be crystallized by L&DO. The same shall be provided for once the final figure is intimated to the company.
	Signatories	
	> CMD	 25/6/21 25/6/21 25/6/21 25/6/21
	> CFO	
	> Audit Committee Chairman	
	> Statutory Auditor - PSMG & Associates	





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

DECLARATION

In terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) (Amendment) Regulations, 2016 read with SEBICircular No. CIR/CFD/CMD/56/2016 dated May 27th, 2016, we hereby declare that PSMG & Associates, Chartered Accountants, (Firm Regn. No. 008567C), the Statutory Auditors of the company have given the Audit report with unmodified opinion on the financial results of the Company for the period ended 31st March, 2021 (both standalone and consolidated).

For STC of India Ltd.

(Rooma Nagrath)

Chief Financial Officer

Date: 25.06.2021

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, RoomaNagrath, General Manager(Finance) & CFO and S.K. Sharma, Director (Personnel) having additional charge of CMD certify that :

- A. We have reviewed financial statements and the cash flow statement for the year ended 31.03.2021 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.

25/6

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

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

Sharma/25.6.21

(S.K. Sharma)

Director (Personnel) additional charge of
CMD

Nagrath 25/6/21

(ROOMA NAGRATH)

General Manager (Finance) &
CFO

Place: New Delhi

Date: 25/06/2021

TO WHOMSOEVER IT MAY CONCERN

Certified that the audited financial results for the year ended 31.03.2021 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) 25.6.21

(S.K. SHARMA)

Director (Personnel) additional charge of
CMD

(Rooma Nagrath)

(ROOMA NAGRATH)

General Manager (Finance) &
CFO

Place: New Delhi

Date: 25/06/2021

