



दि स्टेट ट्रेडिंग कॉर्पोरेशन ऑफ इंडिया लिमिटेड
(भारत सरकार का उद्यम)

THE STATE TRADING CORPORATION OF INDIA LTD.
(A Govt. of India Enterprise)

**प्रभाग
DIVISION**

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

November 10, 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 st Floor, P.J. Towers, Dalal Street Mumbai - 400001 Scrip Code : 512531
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**Sub: Unaudited Financial Results (Limited Reviewed) for the quarter &
half year ended on September 30, 2020**

Dear Sir/Madam,

Pursuant to Regulations 30 & 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. November 10, 2020, considered and approved the Statement of Unaudited Financial Results (Consolidated) for the quarter & half year ended on September 30, 2020.

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

The Board meeting commenced at 02:15 P.M. and concluded at 05:15 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



PSMG & ASSOCIATES

CHARTERED ACCOUNTANTS

Corporate & Correspondence Office

206 B & 207, Jagdamba Tower,
Commercial Complex,13, Preet
Vihar, Delhi 110092
info@psmg.co.in.

Limited Review Report

Independent Auditor's Report on Unaudited Standalone financials results of the The State Trading Corporation of India Limited for the Quarter and Half Year ended 30th September, 2020, Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To

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

1. We have reviewed the accompanying Statements of Unaudited Standalone Financial Results of The State Trading Corporation of India Limited ("the Company") for the Quarter and Half Year ended 30th September 2020 ("the Statements") being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
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 as amended, read with relevant rules issued



thereunder 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) 2400 (revised), "Engagement to Review Historical Financial Statements" 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 financial 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.
4. Based on our review conducted and procedures performed as stated in paragraph 3 above, subject to the matters described in "Basis of Qualified conclusion" section of our report, nothing has come to our attention that causes us to believe that the accompanying Statement read with notes there, prepared in accordance with the applicable accounting standards and other recognized practices and policies 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.

Basis for Qualified Opinion

- (a) Note No 4 of Financial Results/Highlights for the period ended on 30th September 2020 states that 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 understated by Rs. 322.85 Crores



- i. Note No 6 (b) of Financial Results/Highlights for the period ended on 30th September 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 30th September 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.

Further, as per letter no. L&DO/L-IIA/1236/574 dated 19.12.2019, L&DO has also demanded interest @ 10% till the payment is being made by STC. According to the letter, interest amounting to Rs. 104.04 Crores has been accrued till the date of reporting. But the effect of the same is not considered in the books as on reporting date, which has resulted in understatement of loss by Rs. 104.04 Crores.

(c) The impact of the following is not ascertainable:

Note No 3 and 6 of Financial Results/Highlights for the period ended on 30th September, 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. As informed by the company, 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, as informed by the company, 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.

As informed by the company, 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



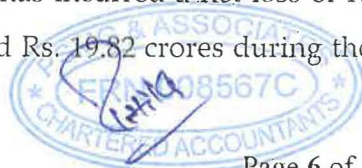
unanimously suggested by the Lenders that instead of withdrawing the case from DRT, possibility may be explored to obtain a consent decree based upon the broad settlement arrived during the high level meeting dated 29.08.2019.

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.

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. 19.82 crores during the half year ended September 30, 2020 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 Rs 896.39 crores and equity shows a negative figure. Also considering that the Ministry reaffirmed STC to stop their business activities, the significant decrease in the sales volume of the company and the matter of continuous losses and negative net current assets, indicates material uncertainty exists that may cast significant doubt on the ability of the company to continue as a going concern. However the management is of the opinion that going concern basis of accounting is appropriate.

Our opinion is not modified in respect of the above matter.

Other Matters

1. 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:

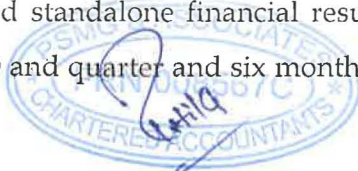
(Amount in Rs. Crores)

Particulars	For the Quarter Ended 30 th September 2020	For the Quarter Ended 30 th September 2019
Total Assets	1,202.19	1,167.33
Total Revenue from Operations	231.89	1,322.47
Profit/(Loss) after Tax	(10.66)	(40.72)

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

2. The unaudited standalone financial results of the Company for the quarter ended 30th June 2020 and quarter and six months ended 30th September 2019 were reviewed



by the Statutory Auditors of the Company, who was predecessor audit firm. The standalone financial information of the company for the year ended 31st March 2020 included in the Statement were audited by the statutory auditors of the Company who were the predecessor audit firm.

Our opinion on the statement is not modified in respect of the above matters.

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



CA Ritika Jain

(Partner)

M.No. 537623

UDIN:20537623AAAAAH2990

Place: New Delhi

Date: 10.11.2020



PSMG & ASSOCIATES

CHARTERED ACCOUNTANTS

Corporate & Correspondence Office

206 B & 207, Jagdamba Tower,
Commercial Complex,13, Preet
Vihar, Delhi 110092
info@psmg.co.in.

Limited Review Report

Independent Auditor's Report on Consolidated Unaudited financial results of The State Trading Corporation of India Limited for the Quarter and Half year ended 30th September, 2020 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

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

1. We have reviewed the accompanying Statements of Consolidated Financial Results ("the Statements") of The State Trading Corporation of India Limited ("The Parent Company") and its subsidiary (the Parent and its subsidiary together referred to as "the Group"), for the Quarter and Half Year ended 30th September 2020, being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
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) 2400 (revised), "Engagement to Review Historical Financial Statements" 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 financial 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.
4. Based on our review conducted and procedures performed as stated in paragraph 3 above, subject to the matters described in "Basis of Qualified Conclusion" section of our report, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with the applicable accounting standards and other recognized practices and policies 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.

Basis for Qualified opinion

- (a) Note No 4 of Financial Results/Highlights for the period ended on 30th September 2020 states that 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. 322.85 crores for the year**
 - i. Note No 6 (b) of Financial Results/Highlights for the period ended on 30th September 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.

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Further, as per letter no. L&DO/L-IIA/1236/574 dated 19.12.2019, L&DO has also demanded interest @ 10% till the payment is being made by STC. According to the letter, interest amounting to Rs. 104.04 Crores has been accrued till the date of reporting. But the effect of the same is not considered in the books as on reporting date, which has resulted in understatement of loss by Rs. 104.04 Crores.

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Note No 3 and 6 of Financial Results/Highlights for the period ended on 30th September, 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: -

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- Balance amount of Rs. 506.24 Crores by assigning 50% of realized trade receivable within 5 years from 1st Jan 2019.

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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.

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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.

- (d) Subsidiary company has not provided for interest from the year 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 the subsidiary company. Due to non-provision of interest, the loss has been understated by Rs. 2172.04 crore (Rs 1665.89 crores for the year ended on 31.03.2020 and Rs 506.14 crore for the period April to September 2020) with consequential reduction in bank liabilities. However, the subsidiary company has shown the above amount as a contingent liability.

Emphasis of Matter

1. The accounts of the subsidiary company are prepared based on the assumption that the Subsidiary Company is not a going concern due to following reasons:
 - i. The Shareholders of the Subsidiary Company in their Extraordinary General Meeting held on 12.09.2013 had approved winding up of the Subsidiary Company under Section 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 the Subsidiary Company and to offer Voluntary Separation Scheme (VSS) to the Employees.
 - iii. Subsidiary Company had filed winding up petition before the Hon'ble High Court of Karnataka on 26.11.2013

Accordingly, the subsidiary company 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 the company for recovery of their dues and all other liabilities at their statement value.

These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

2. Subsidiary Company has made provision for payment of interest as per the claim made by the consortium banks in DRT up to 20.07.2011 and further interest are provided at the rates mentioned in the DRT application by the banks. Excess interest/penal interest/ liquidated damages claimed by the banks as shown in their balance confirmation certificate amounting to Rs.165,83,94,543/- has been shown under contingent liability. However, the contingent liability as shown in Notes consists only of those banks who have given their balance confirmation certificate.
3. Subsidiary company has shown the bank balances in the financials for which the statements are not available to verify the correctness of the balances. Hence the balances of the following bank accounts are subject to confirmation from banks.



Bank Accounts	Bank balances as shown in financials as at 30.9.2020 (in Rs.)
UBI BODI - 29231	1,00,118
Syndicate Bank-Bydagi-12083074973	3,860
Indian Bank-Chennai-CA-758100344	14,818
Union Bank of India-00042-EEFC	77,036
Union Bank of India-00052-EEFC	26,132
HDFC Bank-KOC-5202320001163	1,00,336
SBT - CA 57060771639 - KUM IMP	4,01,796
SBT - CA 57060771877 - KUM TRD	2,84,431

4. Interest payable of Rs. 33,78,29,51,647/- on the principal amount due to the banks is arrived on the basis of the interest rates disclosed in the Debt Recovery Tribunal application filed by banks. No Interest provision have been made by subsidiary company for the current financial year on the ground that the prevailing rate of interest is too low in comparison to interest provided in earlier years and Confirmation of Accounts has not been received from the banks.
5. The Joint Venture Company of the subsidiary company has incurred losses and its cumulative losses is Rs. 30,13,372/- up to 31st March 2013 and details of subsequent period are not available, the Company has written off Rs. 7,53,343/- towards permanent diminution in its investment value up to earlier years. The audited financial statements of NSS Satpura are not available for the subsequent periods. The Subsidiary Board approved in its 142nd Board Meeting held on 24.10.2013 for withdrawal from the Joint Venture Company NSSADCL.
6. Cash credit advance from the bank are secured by paripasu charges over the assets of Subsidiary Company. The Consortium of Lenders has taken over the symbolic possession of the assets of the company during the year 2011-12 and initiated legal proceedings against the company for recovery of dues. The legal proceedings are pending before the DRT. Subsequently during the FY 2019-20, Consortium of the bankers has taken over the physical possession of the assets and initiated the proceedings of auction under the provisions of SARFAESI ACT, 2002. However, the value at which the banks have auctioned the above assets are still to be received from the banks. The profit or loss on auction performed by bank on the taken over asset is not assessed in financials and corresponding effect has not been provided in the Books of Accounts. Hence subsidiary company has reduced the value of assets at book value and also reduced the same from borrowings to Consortium of banks. Subsidiary Company has transferred the revaluation reserve created on these assets to retained earnings.
7. Grant has been received 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. The Subsidiary has amortized depreciation on



assets for which grants were received, at WDV method and has reduced the same from the grants. . However, during the year end no grants has 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 the company in the financial statement on the un-amortized portion of grant to the tune of Rs.1,10,09,432.

8. Attention is drawn to Current Tax disclosed in Profit and Loss statement, where Subsidiary company is assessing the options of whether continuing under the existing tax scheme or opting under 115BAA of Income Tax Act, 1961. Subsidiary company has not provided provision for tax in the financials, as informed by the management and will be providing the provision in the subsequent quarters if required based on the scheme of taxation opted under Income Tax Act 1961.

Our opinion is not modified in respect of these matters.

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. 19.82 crores during the half year ended September 30, 2020 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 Rs 896.39 crores and equity shows a negative figure. Also considering that the Ministry reaffirmed STC to stop their business activities, the significant decrease in the sales volume of the company and the matter of continuous losses and negative net current assets, indicates material uncertainty exists that may cast significant doubt on the ability of the company to continue as a going concern. However the management is of the opinion that going concern basis of accounting is appropriate.

Our opinion is not modified in respect of the above matter.

Other Matters

1. 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 th September 2020	For the September Ended 30 th September 2019
Total Assets	1,202.19	1,167.33
Total Revenue from Operations	231.89	1322.47
Profit/(Loss) after Tax	(10.66)	(40.72)

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.

2. 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 th September 2020	For the Quarter Ended 30 th September 2019
Total Assets	3.61	7.25
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.



3. The unaudited standalone financial results of the Company for the quarter ended 30th June 2020 and quarter and six months ended 30th September 2019 were reviewed by the Statutory Auditors of the Company, who was predecessor audit firm. The standalone financial information of the company for the year ended 31st March 2020 included in the Statement were audited by the statutory auditors of the Company who were the predecessor audit firm.

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

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



CA Ritika Jain

Partner

M.No. 537623

UDIN: 20537623 AAAAAT8951

Place: New Delhi

Date: 10/11/2020

THE STATE TRADING CORPORATION OF INDIA LTD
Balance Sheet as at Sept 30, 2020

(Rs. Crore)

Particulars	Standalone		Consolidated	
	As at Sept 30, 2020	As at Sept 30, 2019	As at Sept 30, 2020	As at Sept 30, 2019
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	578.78	590.26	578.79	592.89
(b) Capital work-in-progress	0.45	0.37	0.45	0.37
(c) Investment property	300.26	305.05	300.26	305.05
(d) Other intangible assets	0.01	0.02	0.01	0.02
(e) Financial Assets :	-	-	-	-
(i) Investments	0.01	0.01	0.01	0.01
(ii) Trade receivables	966.85	967.55	966.85	967.55
(iii) Loans	5.33	5.96	5.35	5.96
(iv) Other Financial Assets	56.76	20.65	56.81	20.71
(f) Deferred tax assets (net)	86.49	86.49	86.49	86.49
(g) Other non-current assets	5.02	5.18	5.02	5.18
Sub total	1,999.96	1,981.54	2,000.04	1,984.23
Current Assets				
(a) Inventories	0.11	0.12	0.11	0.12
(b) Financial Assets :	-	-	-	-
(i) Trade receivables	126.81	117.30	126.81	117.41
(ii) Cash & cash equivalents	60.81	65.05	63.25	67.62
(iii) Bank Balances other than (ii) above	24.16	12.20	24.34	12.38
(iv) Loans	5.49	4.38	5.66	4.54
(v) Other Financial Assets	174.09	270.83	174.20	270.85
(c) Tax Assets (Net)	34.30	29.97	34.60	30.26
(d) Other Current Assets	8.45	8.95	8.78	9.25
(e) Other non current assets held for disposal	0.01	0.01	0.01	0.01
Sub total	434.23	508.81	437.76	512.44
Total Assets	2,434.19	2,490.35	2,437.80	2,496.67
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	60.00	60.00	60.00	60.00
(b) Other Equity	(141.33)	(110.63)	(4,705.69)	(4,674.40)
Sub total	(81.33)	(50.63)	(4,645.69)	(4,614.40)
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	-	-	-	-
(ii) Trade payables -MSME	-	-	-	-
(iii) Trade payables -Others	988.77	987.41	988.77	987.41
(iv) Other Financial Liabilities	73.41	35.25	73.41	34.31
(b) Provisions	115.31	112.15	115.66	112.55
(c) Other non-current liabilities	7.41	7.16	7.41	8.26
Sub total	1,184.90	1,141.97	1,185.25	1,142.53
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	806.23	705.53	1,988.95	1,890.79
(ii) Trade payables -MSME	-	-	-	-
(iii) Trade payables -Others	146.89	154.01	148.02	155.13
(iv) Other Financial Liabilities	226.25	382.57	3,609.60	3,765.69
(b) Provisions	55.76	53.24	56.13	53.24
(c) Other current liabilities	95.49	103.66	95.54	103.69
Sub total	1,330.62	1,399.01	5,898.24	5,968.54
Total Equity and Liabilities	2,434.19	2,490.35	2,437.80	2,496.67

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 half year ended 30th Sept 2020 were reviewed by the Audit Committee on 10.11.2020 and approved by the Board of Directors in its meeting held on 10.11.2020.

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.

4) Out of the total trade receivable of Rs. 1093.66 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.120.47 Crore approx. is recoverable hence no provision is considered necessary.



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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 has been 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 half year ended Sep 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 30.09.2020 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 30th Sept 2020 are the balancing figures between the figures in respect of half year ended Sept 20 and the published figures of quarter ended June 20.

As per our report of even date attached

For PSMG & Associates

Chartered Accountants

Firm Reg. No. 008567C

(CA. RITIKA JAIN)

Partner

M. No. 537623

Place: New Delhi

Dated: 10.11.2020



(Handwritten Signature) 10.11.20

(S.K SHARMA)

Director (Personnel)

with additional
charge of CMD

DIN -06942536

(Handwritten Signature) 10/11/20
(RUCHI NAGRATH)
CFO

THE STATE TRADING CORPORATION OF INDIA LTD.
CASH FLOW STATEMENT FOR THE PERIOD ENDED 30TH SEPTEMBER, 2020

(Rs. Crore)

Particulars	Standalone (Unaudited)				Consolidated (Unaudited)			
	Half Year Ended 30th September, 2020		Half Year Ended 30th September, 2019		Half Year Ended 30th September, 2020		Half Year Ended 30th September, 2019	
A. CASH FLOW FROM OPERATING ACTIVITIES :								
Net Profit/(Loss) Before Tax		(19.82)		(101.96)		(19.09)		(101.11)
Adjustment for:								
-Interest on working capital loans		-		-		-		-
-Depreciation	7.63		6.59		7.63		6.75	
-Net write off of Debts/Advances/claims/Liabilities	(0.18)		79.26		(0.18)		77.72	
-Income/Expenditure relating to let out property	(21.02)		(21.32)		(21.02)		(21.32)	
- Interest Income on fixed deposits/Investments	(5.57)		(19.78)		(5.67)		(19.81)	
- Amortisation, Exchange gain/loss	-		(0.55)		-		(0.55)	
-Loss on sale of asset	-		-		-		-	
-Profit on sale of assets	-	(19.14)	-	44.20	-	(19.24)	-	42.79
Operating Profit Before Working Capital Changes		(38.96)		(57.76)		(38.33)		(58.32)
Adjustment for:								
-Trade and other receivables	50.61		(28.45)		50.52		(25.95)	
-Inventories	0.11		0.04		0.11		0.04	
-Trade and other payables	(41.29)	9.43	(86.34)	(114.75)	(40.16)	10.47	(86.51)	(112.42)
Changes In Working Capital		(29.53)		(172.51)		(27.86)		(170.74)
Income Tax Paid	-	(1.70)	-	-	-	(1.70)	-	-
Net Cash Generated/Used In Operating Activities (A)		(31.23)		(172.51)		(29.56)		(170.74)
B. CASH FLOW FROM INVESTING ACTIVITIES:								
-Purchase of Fixed Assets				-		-		-
-Sale of Fixed Assets				-		-		-
-Proceeds Received/Investment made	43.18		286.28		43.18		286.28	
-Interest received	5.57		18.94		5.67		18.97	
-Let out properties (net)	21.02	69.77	21.32	326.54	21.02	69.87	21.32	326.57
Net Cash From Investing Activities (B)		69.77		326.54		69.87		326.57
C. CASH FLOW FROM FINANCING ACTIVITIES :								
-Increase in Working Capital Loan(net)	-		(190.70)		-		(190.70)	
-Interest Paid	-	-	(12.97)	(203.67)	-	-	(12.97)	(203.67)
Net Cash From Financing Activities (C)				(203.67)				(203.67)
Net Increase/Decrease In Cash And Cash Equivalents (A+B+C)		38.54		(49.64)		40.31		(47.84)
Reconciliation of Cash & Cash Equivalents								
Closing Cash & Bank Balances as per Balance Sheet		84.97		77.25		87.59		80.00
Opening Cash & Bank Balances as per Balance Sheet		46.43		126.89		49.54		127.84
Cash & Bank Balances as per Cash Flow Statement		38.54		(49.64)		38.05		(47.84)
Cash & cash equivalents as per Balance Sheet		84.97		77.25		87.59		80.00
Less : Non readily convertible Bank Deposits		-		12.15		0.18		12.33
Cash & cash equivalents as per cash flow statement		84.94		65.05		87.56		67.62
Cash & cash equivalents includes unpaid dividend		0.03		0.05		0.03		0.05

* Plus (+) sign denotes inflows and minus (-) sign denotes outflow



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

(Rs. crore)

Particulars	STANDALONE					CONSOLIDATED				
	Quarter ended 30.09.2020	Quarter ended 30.09.2019	Half year ended 30.09.2020	Half year ended 30.09.2019	Year ended 31.03.2020	Quarter ended 30.09.2020	Quarter ended 30.09.2019	Half year ended 30.09.2020	Half year ended 30.09.2019	Year ended 31.03.2020
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)
Income										
Revenue from Operations	37.76	156.71	232.95	2,417.30	2,936.74	37.76	156.71	232.95	2,417.30	2,936.74
Other Income	13.80	24.45	28.05	42.86	78.24	14.90	24.51	29.25	42.92	78.28
Total Income	51.56	181.16	261.00	2,460.16	3,014.98	52.66	181.22	262.20	2,460.22	3,015.02
Expenses										
Cost of materials consumed	0.05	-	0.05	-	-	0.05	-	0.05	-	-
Purchases of Stock in trade	36.90	154.00	229.90	2,411.93	2,927.06	36.90	154.00	229.90	2,411.93	2,927.06
Change in Inventory	-	-	-	-	(0.10)	-	-	-	-	(0.10)
Employees' Benefit Expenses	19.72	25.61	35.17	46.57	81.33	19.89	25.78	35.54	46.98	82.44
Finance Cost	0.50	3.31	1.00	6.94	7.27	0.50	3.31	1.00	6.94	7.27
Depreciation & Amortization Expenses	3.82	2.76	7.63	6.59	15.26	3.82	2.84	7.63	6.75	15.50
Other Expenses	3.76	5.63	7.25	10.84	22.40	3.83	5.68	7.35	11.02	22.75
Total expenses	64.75	191.31	281.00	2,482.87	3,053.22	64.99	191.61	281.47	2,483.62	3,054.92
Profit before exceptional items and tax	(13.19)	(10.15)	(20.00)	(22.71)	(38.24)	(12.33)	(10.39)	(19.27)	(23.40)	(39.90)
Exceptional Items - Expense / (Income)	(0.16)	(2.53)	(0.18)	79.25	75.39	(0.16)	(4.07)	(0.18)	77.71	74.19
Profit Before Tax	(13.03)	(7.62)	(19.82)	(101.96)	(113.63)	(12.17)	(6.32)	(19.09)	(101.11)	(114.09)
Tax expense										
(i) Current tax	-	-	-	-	-	-	-	-	-	-
(i) Tax related to earlier years	-	-	-	-	-	-	-	-	-	-
(ii) Deferred tax	-	-	-	-	-	-	-	-	-	-
Profit for the period from continuing operations (A)	(13.03)	(7.62)	(19.82)	(101.96)	(113.63)	(12.17)	(6.32)	(19.09)	(101.11)	(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)	(13.03)	(7.62)	(19.82)	(101.96)	(113.63)	(12.17)	(6.32)	(19.09)	(101.11)	(114.09)
II Other Comprehensive Income										
Items that will not be reclassified to profit or loss										
- Remeasurements of the defined benefit plans	-	-	-	-	0.79	-	-	-	-	0.79
Less: Income Tax on Above	-	-	-	-	-	-	-	-	-	-
Items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-	-	-
Total of Other Comprehensive Income	-	-	-	-	0.79	-	-	-	-	0.79
Total Comprehensive Income for the period	(13.03)	(7.62)	(19.82)	(101.96)	(112.84)	(12.17)	(6.32)	(19.09)	(101.11)	(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	-	-	(1,025.93)	(995.20)	(1,006.11)	-	-	(5,591.61)	(5,560.33)	(5,572.52)
Earnings per equity share :										
(1) Basic (in Rupees)	(2.17)	(1.27)	(3.30)	(16.99)	(18.81)	(2.03)	(1.05)	(3.18)	(16.85)	(18.88)
(2) Diluted (in Rupees)	(2.17)	(1.27)	(3.30)	(16.99)	(18.81)	(2.03)	(1.05)	(3.18)	(16.85)	(18.88)



Segment-wise Revenue, Results, Assets & Liabilities										
Particulars	STANDALONE					CONSOLIDATED				
	Quarter ended 30.09.2020	Quarter ended 30.09.2019	Half year ended 30.09.2020	Half year ended 30.09.2019	Year ended 31.03.2020	Quarter ended 30.09.2020	Quarter ended 30.09.2019	Half year ended 30.09.2020	Half year ended 30.09.2019	Year ended 31.03.2020
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)
1. Segment revenue										
a) Export	-	2.07	-	4.98	13.11	13.11	2.07	13.11	4.98	13.11
b) Import	-	102.96	-	2,314.82	2,536.12	2,536.12	102.96	2,536.12	2,314.82	2,536.12
c) Domestic	37.76	51.68	232.95	97.50	387.51	192.32	51.68	387.51	97.50	387.51
Total	37.76	156.71	232.95	2,417.30	2,936.74	2,741.55	156.71	2,936.74	2,417.30	2,936.74
Less -Inter-segment revenue	-	-	-	-	-	-	-	-	-	-
Revenue from operations	37.76	156.71	232.95	2,417.30	2,936.74	2,741.55	156.71	2,936.74	2,417.30	2,936.74
2. Segment results - Profit /(Loss) before tax and interest from each segment										
a) Export	-	1.76	-	1.82	1.98	-	1.76	-	1.82	1.98
b) Import	0.23	(0.63)	0.15	(0.47)	(0.62)	0.23	(0.63)	0.15	(0.47)	(0.62)
c) Domestic	0.54	1.18	2.75	3.48	7.28	0.54	1.18	2.75	3.48	7.28
Total	0.77	2.31	2.90	4.83	8.64	0.77	2.31	2.90	4.83	8.64
Less:(I) Finance cost	0.50	3.31	1.00	6.94	7.27	0.50	3.31	1.00	6.94	7.27
(ii) Other unallocable expenditure net off Unallocable income	13.30	6.62	21.72	99.85	115.00	12.44	5.32	20.99	99.00	115.46
Profit before Tax	(13.03)	(7.62)	(19.82)	(101.96)	(113.63)	(12.17)	(6.32)	(19.09)	(101.11)	(114.09)
3. Segment Assets										
a) Export	1,047.87	1,064.14	1,047.87	1,064.14	1,055.77	1,047.87	1,064.14	1,047.87	1,064.14	1,055.77
b) Import	85.62	32.91	85.62	32.91	75.88	85.62	32.91	85.62	32.91	75.88
c) Domestic	44.76	34.39	44.76	34.39	94.50	44.76	34.39	44.76	34.39	94.50
d) Unallocated	1,255.94	1,358.91	1,255.94	1,358.91	1,269.15	1,259.55	1,365.23	1,259.55	1,365.23	1,273.14
Total	2,434.19	2,490.35	2,434.19	2,490.35	2,495.30	2,437.80	2,496.67	2,437.80	2,496.67	2,499.29
4. Segment Liabilities										
a) Export	1,186.19	1,193.32	1,186.19	1,193.32	1,184.88	1,186.19	1,193.32	1,186.19	1,193.32	1,184.88
b) Import	352.80	317.75	352.80	317.75	324.64	352.80	317.75	352.80	317.75	324.64
c) Domestic	33.37	79.71	33.37	79.71	114.12	33.37	79.71	33.37	79.71	114.12
d) Unallocated	943.16	950.20	943.16	950.20	933.17	5,512.23	5,520.29	5,512.23	5,520.29	5,502.24
Total	2,515.52	2,540.98	2,515.52	2,540.98	2,556.81	7,084.59	7,111.07	7,084.59	7,111.07	7,125.88

As per our report of even date attached

For PSMG & Associates

Chartered Accountants

Firm Reg. No. 008567C

By order of the Board of Directors

S.K. Sharma / 10.11.20
(S.K SHARMA)

Director (Personnel)
with additional charge of CMD
DIN - 06942536

Roopa Nagrath / 10/11/20
(ROOMA NAGRATH)
CFO

Ritika Jain

(CA. RITIKA JAIN)

Partner
M. No. 537623
Place: New Delhi



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

(Rs. Crore)

S.NO.	PARTICULARS	STANDALONE					CONSOLIDATED				
		Quarter ended 30.09.2020	Quarter ended 30.09.2019	Half year ended 30.09.2020	Half year ended 30.09.2019	Year ended 31.03.2020	Quarter ended 30.09.2020	Quarter ended 30.09.2019	Half year ended 30.09.2020	Half year ended 30.09.2019	Year ended 31.03.2020
		(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)
1	Total income from operations	37.76	156.71	232.95	2,417.30	2,936.74	37.76	156.71	232.95	2,417.30	2,936.74
2	Net Profit /(Loss) for the period (before tax, exceptional and/or Extraordinary items)	(13.19)	(10.15)	(20.00)	(22.71)	(38.24)	(12.33)	(10.39)	(19.27)	(23.40)	(39.90)
3	Net Profit /(Loss) for the period before tax (after Exceptional and/or Extraordinary items)	(13.03)	(7.62)	(19.82)	(101.96)	(113.63)	(12.17)	(6.32)	(19.09)	(101.11)	(114.09)
4	Net Profit /(Loss) for the period after tax (after Exceptional and/or Extraordinary items)	(13.03)	(7.62)	(19.82)	(101.96)	(113.63)	(12.17)	(6.32)	(19.09)	(101.11)	(114.09)
5	Total comprehensive income for the period [comprising Profit/ (Loss) for the period (after Tax) and other comprehensive income (after tax)]	(13.03)	(7.62)	(19.82)	(101.96)	(112.84)	(12.17)	(6.32)	(19.09)	(101.11)	(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	-	-	(1,025.93)	(995.20)	(1,006.11)	-	-	(5,591.61)	(5,560.33)	(5,572.52)
8	Earning per share (of Rs. 10/- each) (for continuing and discontinued operations) (not Annualized) :										
	(a) Basic (in Rupees)	(2.17)	(1.27)	(3.30)	(16.99)	(18.81)	(2.03)	(1.05)	(3.18)	(16.85)	(18.88)
	(b) Diluted (in Rupees)	(2.17)	(1.27)	(3.30)	(16.99)	(18.81)	(2.03)	(1.05)	(3.18)	(16.85)	(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 half year ended 30th Sept 2020 were reviewed by the Audit Committee on 10.11.2020 and approved by the Board of Directors in its meeting held on 10.11.2020.
- 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.
- 4) Out of the total trade receivable of Rs. 1093.66 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.120.47 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 has been 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 half year ended Sep 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 30.09.2020 have not been recognized.



10/11

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 30th Sept 2020 are the balancing figures between the figures in respect of half year ended Sept 20 and the published figures of quarter ended June 20.

As per our report of even date attached

For PSMG & Associates

Chartered Accountants

Firm Reg. No. 008567C

(CA. RIPIKA JAIN)

Partner

M. No. 537623

Place: New Delhi



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

06942536.

Sumanee / 10-11-20

(ROOMA NAGRATH)
CFO

Rooma / 10/11/20

TO WHOMSOEVER IT MAY CONCERN

Certified that the reviewed financial results for the half year ended 30.09.2020 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 / 10.11.20

(S.K SHARMA)

Director (Personnel) additional charge of CMD

R. Nagrath
10/11/20
(ROOMA NAGRATH)
CFO

Place: New Delhi

Date: 10.11.2020