

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

August 9, 2019

Manager-Listing Compliance Department National Stock Exchange of India Limited Exchange Plaza, Bandra – Kurla Complex, Bandra (East), Mumbai – 400051  Scrip Code : STCINDIA - EQ	Manager – Listing Compliance Department BSE Limited 1 <sup>st</sup> Floor, P.J. Towers, Dalal Street Mumbai – 400001  Scrip Code : 512531
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**Sub: Unaudited Financial Results (Limited Reviewed) for the quarter ended on June 30, 2019**

Dear Sir/Madam,

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that the Board of Directors of the Company had, at its meeting held today i.e. August 9, 2019, considered and approved the Statement of Unaudited Financial Results (Consolidated) for the quarter ended on June 30, 2019.

Statement of Unaudited Financial Results (Consolidated) along with Limited Review Report of the Statutory Auditors for the quarter ended on June 30, 2019 and Press Release are enclosed herewith.

The Board meeting commenced at 3:45 P.M. and concluded at 6:45 P.M.

Please take note of above information on record.

Thanking you,

Yours sincerely,

For The State Trading Corporation of India Limited

  
(Deepak C S)

FCS-5060

Company Secretary & Compliance Officer

### Limited Review Report

The Board of Directors

M/s State Trading Corporation of India Limited

1. We have reviewed the accompanying Statements of Unaudited Standalone Financial Results ("the Statements") of **M/s State Trading Corporation of India Limited** ("The Company") For the Quarter Ended on 30<sup>th</sup> June, 2019 attached herewith, being submitted by the Company pursuant to requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July, 2016 ("the Regulations"). This Statement is the responsibility of the Company's management and has been approved by the Board of Directors in their meeting held on 9<sup>th</sup> August, 2019. Our responsibility is to issue a report on these financial results based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountant of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. **Attention is invited to the following:**
  - A. Note No. 5 of Financial Results/Highlights for the quarter ended on 30<sup>th</sup> June 2019, for non-provision of a demand of Rs. 132.83 Crore received from Land and Development Office - New Delhi, which has resulted in understatement of loss for the quarter by Rs. 132.83 Crore.
  - B. Note No. 4 of Financial Results/Highlights for the quarter ended on 30<sup>th</sup> June 2019, for no credit impairment of trade receivables of Rs. 960.06 crore which are under dispute/litigations since long. The impact of the same is not ascertainable.
  - C. Note No. 3 of Financial Results/Highlights for the quarter ended on 30<sup>th</sup> June 2019, for continuing default from November 2017 onwards in the repayment of principal amount of Banks Loans and interest thereon. Lender Banks have jointly filed case against the company in DRT. Further, one of the Lender Bank has also filed a case in NCLT. However, company has approached the banks for settlement and Rs. 1100 crore has also been paid to the Lead banker of Joint Lender Forum Banks upto 27.05.2019. Further MOU between STC and banks for proposed settlement is still pending.
4. Based on our review conducted as above and subject to the matters described in paragraph 3 above, we report that nothing else has come to our attention that causes us to believe that the accompanying statement of unaudited standalone



financial results prepared in accordance with applicable Indian Accounting Standard ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other recognized accounting 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 and SEBI Circular dated 5<sup>th</sup> July, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For and on behalf of  
Thakur, Vaidyanath Aiyar & Co.  
Chartered Accountants  
FRN: 000038N



(K.K. Upadhyay)  
Partner  
M. No.: 096584



Place: New Delhi  
Date: 09.08.2019

UDIN : 19096584AAAAAF1312



### Limited Review Report

The Board of Directors  
M/s State Trading Corporation of India Limited

1. We have reviewed the accompanying Statements of Unaudited Consolidated Financial Results ("the Statements") of **M/s State Trading Corporation of India Limited** ("The Group") For the Quarter Ended on 30<sup>th</sup> June, 2019 attached herewith, being submitted by the Company pursuant to requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July, 2016 ("the Regulations"). This Statement is the responsibility of the Company's management and has been approved by the Board of Directors in their meeting held on 9<sup>th</sup> August, 2019. Our responsibility is to issue a report on these financial results based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountant of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
- 3. Attention is invited to the following:**
  - A) Note No. 5 of Financial Results/Highlights for the quarter ended on 30<sup>th</sup> June 2019, for non-provision of a demand of Rs. 132.83 Crore received from Land and Development Office - New Delhi, which has resulted in understatement of loss for the quarter by Rs. 132.83 Crore.
  - B) Note No. 4 of Financial Results/Highlights for the quarter ended on 30<sup>th</sup> June 2019, for no credit impairment by STC against trade receivables of Rs. 960.06 crore which are under dispute/litigations since long. The impact of the same is not ascertainable.
  - C) Note No. 3 of Financial Results/Highlights for the quarter ended on 30<sup>th</sup> June 2019, for continuing default by STC from November 2017 onwards in the repayment of principal amount of Banks Loans and interest thereon. Lender Banks have jointly filed case against the company in DRT. Further, one of the Lender Bank has also filed a case in NCLT. However, company has approached the banks for settlement and Rs. 1100 crore has also been paid to the Lead banker of Joint Lender Forum Banks upto 27.05.2019. Further MOU between STC and banks for proposed settlement is still pending.



4. Based on our review conducted as above and subject to the matters described in paragraph 3 above, we report that nothing else has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with applicable Indian Accounting Standard ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other recognized accounting 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 and SEBI Circular dated 5<sup>th</sup> July, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For and on behalf of  
Thakur, Vaidyanath Aiyar & Co.  
Chartered Accountants  
FRN: 000038N



(K.K.Upadhyay)  
Partner  
M. No.: 096584



Place: New Delhi  
Date: 09.08.2019

UDIN : 19096584AAAAAF1312



THE STATE TRADING CORPORATION OF INDIA LTD.  
Statement of Financial Results for the Quarter ended June 30, 2019  
CIN: L74899DL1956GOI002674

(Rs. crore)

Particulars	STANDALONE				CONSOLIDATED			
	Quarter ended 30.06.2019	Quarter ended 31.03.2019	Quarter ended 30.06.2018	Year Ended 31.03.2019	Quarter ended 30.06.2019	Quarter ended 31.03.2019	Quarter ended 30.06.2018	Year Ended 31.03.2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Income</b>								
Revenue from Operations	2,260.59	710.34	3,733.85	8,903.44	2,260.59	710.34	3,733.85	8,903.44
Other Income	18.41	22.19	81.76	109.63	18.41	22.19	81.76	109.85
<b>Total Income</b>	<b>2,279.00</b>	<b>732.53</b>	<b>3,815.61</b>	<b>9,013.07</b>	<b>2,279.00</b>	<b>732.53</b>	<b>3,815.61</b>	<b>9,013.29</b>
<b>Expenses</b>								
Cost of materials consumed	-	-	-	-	-	-	-	-
Purchases of Stock in trade	2,257.93	707.84	3,729.37	8,886.81	2,257.93	707.84	3,729.37	8,886.81
Change in Inventory	-	-	0.01	0.02	-	-	0.01	0.02
Employees' Benefit Expenses	20.96	19.17	21.32	100.12	21.20	19.66	21.56	101.38
Finance Cost (Refer Note No. 3)	3.63	(0.65)	51.58	155.59	3.63	(0.61)	51.59	155.59
Depreciation & Amortization Expenses	3.83	3.31	3.94	15.14	3.91	3.39	4.02	15.46
Other Expenses	5.21	12.75	7.24	38.07	5.34	12.83	7.42	38.60
<b>Total expenses</b>	<b>2,291.56</b>	<b>742.42</b>	<b>3,813.46</b>	<b>9,195.75</b>	<b>2,292.01</b>	<b>743.11</b>	<b>3,813.97</b>	<b>9,197.86</b>
<b>Profit before exceptional items and tax</b>	<b>(12.56)</b>	<b>(9.89)</b>	<b>2.15</b>	<b>(182.68)</b>	<b>(13.01)</b>	<b>(10.58)</b>	<b>1.64</b>	<b>(184.57)</b>
Exceptional Items - Expense/(Income) (Refer Note No. 4)	81.78	48.89	0.24	714.44	81.78	48.72	0.24	714.49
<b>Profit Before Tax</b>	<b>(94.34)</b>	<b>(58.78)</b>	<b>1.91</b>	<b>(897.12)</b>	<b>(94.79)</b>	<b>(59.30)</b>	<b>1.40</b>	<b>(899.06)</b>
<b>Tax expense</b>								
(i) Current tax	-	-	0.45	-	-	-	0.45	-
(ii) Tax related to earlier years	-	(28.80)	-	(16.04)	-	(28.80)	-	(16.04)
(iii) Deferred tax	-	-	-	-	-	-	-	-
<b>Profit for the period from continuing operations (A)</b>	<b>(94.34)</b>	<b>(29.98)</b>	<b>1.46</b>	<b>(881.08)</b>	<b>(94.79)</b>	<b>(30.50)</b>	<b>0.95</b>	<b>(883.02)</b>
Profit/(loss) from discontinued operations	-	-	-	-	-	-	-	-
Tax expense of discontinued operations	-	-	-	-	-	-	-	-
<b>Profit from discontinued operations after tax (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>I Profit for the period (A+B)</b>	<b>(94.34)</b>	<b>(29.98)</b>	<b>1.46</b>	<b>(881.08)</b>	<b>(94.79)</b>	<b>(30.50)</b>	<b>0.95</b>	<b>(883.02)</b>
<b>II Other Comprehensive Income</b>								
Items that will not be reclassified to profit or loss								
- Remeasurements of the defined benefit plans	-	1.62	-	1.62	-	1.62	-	1.62
Less: Income Tax on Above	-	-	-	-	-	-	-	-
Items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
<b>Total of Other Comprehensive Income</b>	<b>-</b>	<b>1.62</b>	<b>-</b>	<b>1.62</b>	<b>-</b>	<b>1.62</b>	<b>-</b>	<b>1.62</b>
<b>Total Comprehensive Income for the period</b>	<b>(94.34)</b>	<b>(28.36)</b>	<b>1.46</b>	<b>(879.46)</b>	<b>(94.79)</b>	<b>(28.88)</b>	<b>0.95</b>	<b>(881.40)</b>
<b>Paid up equity share capital (Face value of Rs. 10/- each)</b>	<b>60.00</b>	<b>60.00</b>	<b>60.00</b>	<b>60.00</b>	<b>60.00</b>	<b>60.00</b>	<b>60.00</b>	<b>60.00</b>
<b>Other Equity excluding Revaluation Reserves</b>				(893.24)				(5,459.22)
<b>Earnings per equity share : (Not Annualized)</b>								
(1) Basic (in Rupees)	(15.72)	(5.00)	0.24	(146.85)	(15.80)	(5.08)	0.16	(147.17)
(2) Diluted (in Rupees)	(15.72)	(5.00)	0.24	(146.85)	(15.80)	(5.08)	0.16	(147.17)
<b>Segment-wise Revenue, Results, Assets &amp; Liabilities</b>								
(Rs. crore)								
<b>1. Segment revenue</b>								
a) Export	2.91	5.69	0.52	13.89	2.91	5.69	0.52	13.89
b) Import	2,211.86	670.40	3,490.65	8,437.75	2,211.86	670.40	3,490.65	8,437.75
c) Domestic	45.82	34.25	242.68	451.80	45.82	34.25	242.68	451.80
<b>Total</b>	<b>2,260.59</b>	<b>710.34</b>	<b>3,733.85</b>	<b>8,903.44</b>	<b>2,260.59</b>	<b>710.34</b>	<b>3,733.85</b>	<b>8,903.44</b>
<b>Less -Inter-segment revenue</b>	-	-	-	-	-	-	-	-
<b>Revenue from operations</b>	<b>2,260.59</b>	<b>710.34</b>	<b>3,733.85</b>	<b>8,903.44</b>	<b>2,260.59</b>	<b>710.34</b>	<b>3,733.85</b>	<b>8,903.44</b>
<b>2. Segment results - Profit/(Loss) before tax and Interest from each segment</b>								
a) Export	0.06	0.12	0.32	3.73	0.06	0.12	0.32	3.73
b) Import	0.16	0.84	(0.28)	1.75	0.16	0.84	(0.28)	1.75
c) Domestic	2.30	1.18	4.08	9.44	2.30	1.18	4.08	9.44
<b>Total</b>	<b>2.52</b>	<b>2.14</b>	<b>4.12</b>	<b>14.92</b>	<b>2.52</b>	<b>2.14</b>	<b>4.12</b>	<b>14.92</b>
<b>Less:(i) Finance cost</b>	<b>3.63</b>	<b>(0.65)</b>	<b>51.58</b>	<b>155.59</b>	<b>3.63</b>	<b>(0.61)</b>	<b>51.59</b>	<b>155.59</b>
(ii) Other unallocable expenditure net off	93.23	61.57	(49.37)	756.45	93.68	62.05	(48.87)	758.39
<b>Unallocable income</b>	<b>(94.34)</b>	<b>(58.78)</b>	<b>1.91</b>	<b>(897.12)</b>	<b>(94.79)</b>	<b>(59.30)</b>	<b>1.40</b>	<b>(899.06)</b>
<b>3. Segment Assets</b>								
a) Export	1,061.97	1,063.54	3,192.88	1,063.54	1,061.97	1,063.54	3,192.88	1,063.54
b) Import	35.16	29.83	102.20	29.83	35.16	29.83	102.20	29.83
c) Domestic	29.75	34.24	80.23	34.24	29.75	34.24	80.23	34.24
d) Unallocated	1,434.74	1,675.47	1,136.12	1,675.47	1,440.77	1,682.05	1,143.87	1,680.11
<b>Total</b>	<b>2,561.62</b>	<b>2,803.08</b>	<b>4,511.43</b>	<b>2,803.08</b>	<b>2,567.65</b>	<b>2,809.66</b>	<b>4,519.18</b>	<b>2,807.72</b>
<b>4. Segment Liabilities</b>								
a) Export	1,209.76	1,250.76	1,329.28	1,250.76	1,209.76	1,250.76	1,329.28	1,250.76
b) Import	340.78	348.11	256.98	348.11	340.78	348.11	256.98	348.11
c) Domestic	81.21	36.45	88.23	36.45	81.21	36.45	88.23	36.45
d) Unallocated	972.87	1,116.40	1,904.68	1,116.40	5,543.97	5,687.60	6,475.62	5,685.66
<b>Total</b>	<b>2,604.62</b>	<b>2,751.72</b>	<b>3,579.17</b>	<b>2,751.72</b>	<b>7,178.72</b>	<b>7,322.92</b>	<b>8,150.11</b>	<b>7,320.98</b>




Handwritten signature and date.

Notes

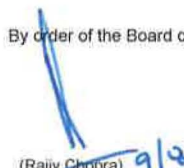
- 1) These Financial results have been prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.
- 2) The financial results for the Quarter ended on 30th June 2019 were reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on 09.08.2019.
- 3) The Company is in continuing default from November 2017 onwards in the repayment of principal amount of Banks Loans and interest thereon Rs. 1906.24 Crore . Lender Banks have jointly filed case against the company in DRT. Further, one of the Lender Bank has also filed a case in NCLT. However, company has approached the banks for settlement and Rs. 1100 crore has also been paid to the Lead banker of Joint Lender Forum Banks upto 27.05.2019. MOU between STC and banks for the proposed settlement is yet to be signed. Hence, in term of such proposed settlement and reconciliations made with the Banks, no interest has been recognised on Bank Borrowings for the period from January 2019 amounting to Rs. 40.82 Crore and an amount of Rs. 18.00 Crore excess interest accounted for has been written back during the quarter and shown under exceptional item.
- 4) Total trade receivable of Rs. 1082.03 Crore Includes Rs. 960.06 Crore "having significant increase in credit risk" being under dispute/litigation and outstanding since long. However, no credit impairment has been made, as the company feels that even if the amount is eventually not recovered, the creditor will not be paid by the company to the extent the amount is not realized from trade receivables. Though in certain cases Court has directed STC to pay the creditors.
- 5) L&DO has raised a demand of Rs. 132.83 Crore vide its letter No. L&DO/LS2A/9225/133 dated 26th March 2018 from 2004-05 onwards for noncompliance of various conditions of the Lease Deed (including non-deposits of 25% of the gross rent received by STC from its tenants). However, STC has disputed the demand and the matter is still pending.
- 6) Eventhough the net worth of the company has been eroded fully (even including revaluation reserve), in the opinion of the Management, the Company is going concern as : The Company is a CPSE under administrative control of the Ministry of Commerce & Industry. The Company is primarily in the business of trade with State Trading Organizations of various countries, to undertake promotion of export and to undertake market intervention operations in commodities as specified by Government from time to time. The company has seven offices and 3 representative offices all over the country and is fully equipped with the necessary infrastructural facilities to undertake any volume of business operations. The company is participating in several business opportunities. For last few years the company is facing mismatch in inflows and outflows of funds due to huge recoverable from associates with whom the company had undertaken trade transactions and who had defaulted in making timely payment to STC. This has led to temporary financial crunch, operating losses, reduction of net worth. Simultaneously the company initiate 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 has therefore proposed settlement with the lender banks. Since the lender banks have initiated action in NCLT / DRT, an amount of Rs. 1100 crore was paid upto 27.05.2019 towards proposed settlement with the banks to show the bona fide intention of STC towards proposed settlement. The proposed settlement is under process and the company is hopeful that the same will be done shortly. Simultaneously the company has undertaken various cost reduction measures to improve the liquidity / profitability such as closure of unviable branches undertaking trade in those commodities fetching higher trade margins etc. In view of this it is believed that, after the proposed settlement, sufficient liquidity would be available with the company to undertake further business operation. The Company has also requested to JLF to provide some funded/non-funded limit for conducting business on behalf of Govt. of India. It is believed that this would generate sufficient trade margin for STC in the process of revival. It is believed that STC shall be in a position to confidently sail as a going concern. Considering the strength of the company, business plans and future outlook as assessed, the company is quite confident to reach at some workable solution to resolve financial position of the company. Pending such resolution and considering the facts given above:-
  - a. Accounts have been prepared on going concern basis.
  - b. As regards to business plan, it is to mention that STC has projected a turnover of Rs. 9000 Crore for the F.Y 2019-20.
  - c. The company is continuing to carry forward deferred tax assets, which will be available for set off against future profits in view of anticipated business opportunities and improved availability of working capital,
  - d. No provision for impairment of non-current assets has been considered necessary and.
  - e. As a cost cut measure, the company has introduced Voluntary retirement scheme (VRS) , first phase of VRS was introduced starting from 18.06.2018 to 17.07.2018 up to level of Chief Manager excluding professionals. The VRS in the first phase was to cover maximum 80 employees on first come first serve basis. Total 101 applications were received out of which 06 applications were rejected, 07 applications were withdrawn. Application of 80 employees out of balance 88 applications was accepted and their dues have been settled. Further Second phase has also been introduced from 29.03.2019 till 29.04.2019 up to level of Chief Manager and 45 applications has been received. Further VRS has been introduced and kept open till 31.03.2020
- 7) The company has created a liability for amounting Rs. 100.15 Crore (72.26 plus 27.89 Crore) as a matter of financial prudence and abundant caution against the Court cases lost at different levels. Since the award under reference as per STC is bad under Law, therefore the same has been challenged before the Higher Authority prescribed under Law.
- 8) 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 0.85 crore, and a lease liability of 0.86 crore. The cumulative effect of applying the standard resulted in 0.01 crore being debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the profit for the period and earnings per share.
- 9) As a matter of accounting prudence, Deferred Tax Assets for the quarter ended 30.06.2019 have not been recognized.
- 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  
M/s Thakur, Vaidyanath Aiyar & Co.  
Chartered Accountants  
FRN : 0000038N

  
(K K Upadhyay)  
Partner  
M. No. 096584

Place: New Delhi  
Date: 09.08.2019

By order of the Board of Directors

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

  
(Roopa Nagrath)  
SM-F & CFO





**THE STATE TRADING CORPORATION OF INDIA LTD.**  
Statement of Financial Results for the Quarter ended June 30, 2019  
CIN: L74899DL1956GOI002674

(Rs. Crore)

S.NO.	PARTICULARS	STANDALONE			CONSOLIDATED		
		Quarter ended 30.06.2019	Quarter ended 30.06.2018	Year Ended 31.03.2019	Quarter ended 30.06.2019	Quarter ended 30.06.2018	Year Ended 31.03.2019
		(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Audited)
1	Total income from operations	2,260.59	3,733.85	8,903.44	2,260.59	3,733.85	8,903.44
2	Net Profit /(Loss) for the period (before tax, exceptional and/or Extraordinary items)	(12.56)	2.15	(182.68)	(13.01)	1.64	(184.57)
3	Net Profit /(Loss) for the period before tax (after Exceptional and/or Extraordinary items)	(94.34)	1.91	(897.12)	(94.79)	1.40	(899.06)
4	Net Profit /(Loss) for the period after tax (after Exceptional and/or Extraordinary items)	(94.34)	1.46	(881.08)	(94.79)	0.95	(883.02)
5	Total comprehensive income for the period [comprising Profit/ (Loss) for the period (after Tax) and other comprehensive income (after tax)]	(94.34)	1.46	(879.46)	(94.79)	0.95	(881.40)
6	Equity Share Capital	60.00	60.00	60.00	60.00	60.00	60.00
7	Other Equity excluding Revaluation Reserves	-	-	(893.24)	-	-	(5,459.22)
8	Earning per share (of Rs. 10/- each) (for continuing and discontinued operations) (not Annualized) :						
	(a) Basic (in Rupees)	(15.72)	0.24	(146.85)	(15.80)	0.16	(147.17)
	(b) Diluted (in Rupees)	(15.72)	0.24	(146.85)	(15.80)	0.16	(147.17)

**Notes:**

1) These Financial results have been prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

2) The financial results for the Quarter ended on 30th June 2019 were reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on 09.08.2019.

3) The Company is in continuing default from November 2017 onwards in the repayment of principal amount of Banks Loans and interest thereon Rs. 1906.24 Crore . Lender Banks have jointly filed case against the company in DRT. Further, one of the Lender Bank has also filed a case in NCLT. However, company has approached the banks for settlement and Rs. 1100 crore has also been paid to the Lead banker of Joint Lender Forum Banks upto 27.05.2019. MOU between STC and banks for the proposed settlement is yet to be signed. Hence, in term of such proposed settlement and reconciliations made with the Banks, no interest has been recognised on Bank Borrowings for the period from January 2019 amounting to Rs. 40.82 Crore and an amount of Rs. 18.00 Crore excess interest accounted for has been written back during the quarter and shown under exceptional item.

4) Total trade receivable of Rs. 1082.03 Crore includes Rs. 960.06 Crore "having significant increase in credit risk" being under dispute/litigation and outstanding since long. However, no credit impairment has been made, as the company feels that even if the amount is eventually not recovered, the creditor will not be paid by the company to the extent the amount is not realized from trade receivables. Though in certain cases Court has directed STC to pay the creditors.

5) L&DO has raised a demand of Rs. 132.83 Crore vide its letter No. L&DO/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, STC has disputed the demand and the matter is still pending.

6) Even though the net worth of the company has been eroded fully (even including revaluation reserve), in the opinion of the Management, the Company is going concern as : The Company is a CPSE under administrative control of the Ministry of Commerce & Industry. The Company is primarily in the business of trade with State Trading Organizations of various countries, to undertake promotion of export and to undertake market intervention operations in commodities as specified by Government from time to time. The company has seven offices and 3 representative offices all over the country and is fully equipped with the necessary infrastructural facilities to undertake any volume of business operations. The company is participating in several business opportunities. For last few years the company is facing mismatch in inflows and outflows of funds due to huge recoverable from associates with whom the company had undertaken trade transactions and who had defaulted in making timely payment to STC. This has led to temporary financial crunch, operating losses, reduction of net worth. Simultaneously the company initiate 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 has therefore proposed settlement with the lender banks. Since the lender banks have initiated action in NCLT / DRT, an amount of Rs. 1100 crore was paid upto 27.05.2019 towards proposed settlement with the banks to show the bona fide intention of STC towards proposed settlement. The proposed settlement is under process and the company is hopeful that the same will be done shortly. Simultaneously the company has undertaken various cost reduction measures to improve the liquidity / profitability such as closure of unviable branches undertaking trade in those commodities fetching higher trade margins etc. In view of this it is believed that, after the proposed settlement, sufficient liquidity would be available with the company to undertake further business operation. The Company has also requested to JLF to provide some funded/non-funded limit for conducting business on behalf of Govt. of India. It is believed that this would generate sufficient trade margin for STC in the process of revival. It is believed that STC shall be in a position to confidently sail as a going concern.

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

a. Accounts have been prepared on going concern basis.

b. As regards to business plan, it is to mention that STC has projected a turnover of Rs. 9000 Crore for the F.Y 2019-20.

c. The company is continuing to carry forward deferred tax assets, which will be available for set off against future profits in view of anticipated business opportunities and improved availability of working capital.

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

e. As a cost cut measure, the company has introduced Voluntary retirement scheme (VRS) , first phase of VRS was introduced starting from 18.06.2018 to 17.07.2018 up to level of Chief Manager excluding professionals. The VRS in the first phase was to cover maximum 80 employees on first come first serve basis. Total 101 applications were received out of which 06 applications were rejected, 07 applications were withdrawn. Application of 80 employees out of balance 88 applications was accepted and their dues have been settled. Further Second phase has also been introduced from 29.03.2019 till 29.04.2019 up to level of Chief Manager and 45 applications has been received. Further VRS has been introduced and kept open till 31.03.2020



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7) The company has created a liability for amounting Rs. 100.15 Crore (72.26 plus 27.89 Crore) as a matter of financial prudence and abundant caution against the Court cases lost at different levels. Since the award under reference as per STC is bad under Law, therefore the same has been challenged before the Higher Authority prescribed under Law.


8) 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 0.85 crore, and a lease liability of 0.86 crore. The cumulative effect of applying the standard resulted in 0.01 crore being debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the profit for the period and earnings per share.

9) As a matter of accounting prudence, Deferred Tax Assets for the quarter ended 30.06.2019 have not been recognized.

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

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

By order of the Board of Directors

  
9/8/19  
(Rajiv Chopra)  
Director (Marketing)  
with additional charge of CMD  
DIN -06466326

  
(Roopa Nagrath)  
GM-F & CFO

Place: New Delhi  
Date: 09.08.2019

