

ANNUAL REPORT

2017-18



THE STATE TRADING CORPORATION OF INDIA LIMITED
(A Government of India Enterprise)



To be a leading world class
trading organization,
continuously diversifying
and delivering excellence
in all areas of its operations
thereby enhancing
stakeholders' value.

About Us

The State Trading Corporation of India Ltd. (STC) is a premier international trading company of the Govt. of India. Incorporated in 1956, it functions under the administrative control of the Ministry of Commerce, Government of India.

STC has played a vital role in India's economy. It has not only helped the country to earn scarce foreign exchange by undertaking development of exports, but, has also undertaken import of mass consumption items such as wheat, edible oils, pulses, sugar as and when called upon by the Government to do so.

STC has paid up equity of ₹60 core of which 90% is held by the Govt. of India and the balance 10% by Financial Institutions/Mutual Funds/Public. STC has so far made a contribution of over ₹1200 crore to the public exchequer by way of payment of dividends and corporate taxes.

The Corporation achieved a turnover of ₹10825 crore during 2017-18.



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Top Management

RAJIV CHOPRA

**Chairman & Managing Director
(Additional Charge) And Director (Marketing)**

Corporate Planning, Information Technology,
Management Services, Fertilizer Imports, Counter Trade,
Board Secretariat & Parliament Division, Internal Audit
and Bullion.

S.K. SHARMA

**Director (Personnel)
Additional Charge of Director (Finance)**

(from 01.04.2017 to 03.01.2018)
Policy Matters pertaining to Personnel,
Establishment Matters, Employees Training And
Development, Industrial Relations, Asset Utilization,
General Administration and CSR.

P. K. DAS

Director (Marketing)

Agricultural Commodities, General Import &
Exports, Edible Oils, Hydrocarbon, Chemicals Drugs
& Pharma, Iran Trade, Jute & Jute Goods, Ferrous &
Non-Ferrous Metals and Trade Recovery Matters.

UMESH SHARMA

**Director (Finance)
MMTC with additional charge of STC**
(w.e.f 04.01.2018)

Banking & Fund Management, Corporate Accounts
& Corporate Taxation, F & A of Establishment,
General Administration, GST and Insurance.

**ARVIND KUMAR
KADYAN, IDAS**

Chief Vigilance Officer

Vigilance Matters and Disciplinary Proceedings.

Board of Directors



Rajiv Chopra
Chairman & Managing Director
(Additional Charge w.e.f. 28.11.2016) And Director (Marketing)

FUNCTIONAL DIRECTORS



S.K. Sharma
Director (Personnel)
Additional Charge of Director (Finance)
(from 01.04.2017 to 03.01.2018)



Prasanta Kumar Das
Director (Marketing)



Umesh Sharma
Director (Finance) MMTc
With Additional Charge of STC w.e.f. 04.01.2018

PART-TIME OFFICIAL DIRECTORS



Sunil Kumar
AS, DOC



S.C. Pandey
SS & FA, DOC

PART-TIME NON-OFFICIAL DIRECTORS



Sundaradevan Nanjiah
(from 03.08.2016)



Sunil Trivedi
(from 03.08.2016)



Dr. K. Rangarajan
(from 03.08.2016)



Arvind Gupta
(from 03.08.2016)



Dr. Amitabh Rajan
(from 14.02.2017)



Mohan Lal Pareek
(from 14.02.2017)



Ms. Bharathi Magdum
(from 24.03.2017)



Bharatsinh P. Parmar
(from 31.03.2017)

CHIEF VIGILANCE OFFICER



Arvind K. Kadyan, IDAS

CHIEF GENERAL MANAGERS



N.A.N Jeyakumar
Hydrocarbons
(Recovery Cases), GAD, AUD,
other duties as specifically assigned



Lakpa Sherpa
Management Services, Corporate Planning,
IT, Internal Audit, Counter Trade,
Fertilizer, Co-ordinating
CPIO: RTI Matters and
Director: Public Grievance,



B.R. Dhawan
Funds Management & Banking,
Corporate Accounts, Corporate Tax



Vivek Mathur
Coal & Coke, Wheat & Rice,
Drugs, Chemicals & Pharmaceuticals,
Red Sanders, Govt Grants, Newsprint



D P Mishra
Branch Manager
Kolkata



Sameer Kapoor
Branch Manager
Mumbai



Sanjive Rohatgi
Legal

S. K. SINGHAL

(Chief Financial Officer)
Finance & Accounts of Trade, Trade Recovery Matters

PANKAJ KUMAR

(Company Secretary)

BANKERS

State Bank of India, Bank of Baroda, Canara Bank, Indian Bank, UCO Bank, Vijaya Bank, HDFC Bank, Indusind Bank, Allahabad Bank, Bank of India, Indian Overseas Bank, ICICI Bank, Syndicate Bank, Union Bank of India, ICBC Bank, Axis Bank

STATUTORY AUDITORS

M/s. P. Jain & Company, Chartered Accountants, 210, Arunachal Bhawan,
19, Barakhamba Road, New Delhi - 110 001

CORPORATE/REGISTERED OFFICE

THE STATE TRADING CORPORATION OF INDIA LIMITED
(CIN NO. L74899DL1956GOI002674)

Registered Office: Jawahar Vyapar Bhawan, Tolstory Marg, New Delhi-110001
Tel. No.: 91 11 23313177, Fax: 91 11 23701123/23701191,
E-mail: co@stclimited.co.in • Web: www.stclimited.co.in



62nd Annual General Meeting

Chairman's Speech

Dear Shareholders,

I have great pleasure welcoming you all to the 62nd Annual General Meeting of the company on behalf of the Board of Directors. A copy of the Annual Report containing Directors' Report and the Audited Accounts for the year ended 31st March, 2018 together with Auditors Report and comments of C&AG along with Management's reply thereto has already been circulated and with your permission, I take them as read.

Before I proceed to take up the formal agenda of today's meeting; I would like to share with you, in brief, the performance of your company during the year 2017-18 and the present status.

As you are aware, global economic growth was the fastest at 3.8 percent in 2017. The Indian economy grew by 6.6 percent in 2017-18, as compared to the growth of 7.1 percent achieved during the year 2016-17. The growth in agriculture, industry and services was around 2.1 percent, 4.4 percent and 8.3 percent respectively in 2017-18 as compared to 4.9 percent, 5.6 percent and 7.7 percent respectively in the year 2016-17.

During 2017-18, India's export reached US\$ 303 billion as against US\$ 275 billion in 2016-17 registering a positive growth of about 10 percent. On the other hand, import during 2017-18 amounted to US\$ 465 billion as against US\$ 384 billion in 2016-17, registering a positive growth of about 21 percent. The trade deficit during the year 2017-18 was US\$ 162 billion, which was almost 49 percent higher than the trade deficit of US\$ 109 billion in the year 2016-17.

As you are aware, your Company continued to pass through difficult financial phase during the year 2017-18, however in spite of no working capital available for transacting business, the company achieved a turnover of ₹10,825 crore as against ₹7,752 crore in 2016-17. The increase in turnover was mainly contributed by higher bullion imports.

The Company undertook exports of ₹266 crore during the year 2017-18 as against exports of ₹789 crore in the previous year. Exports declined mainly due to non-operationalization of the contract for export of steel plates/coils to Iran. However, during the year, the Company supplied steel rails worth ₹243 crore to Iran against an agreement entered into with Iranian Railways.

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The Company also exported red sanders worth ₹15 crore out of the stocks confiscated by DRI and agro pesticides worth approx. ₹7 crore to Iran.

During the year 2017-18, the Company achieved an import turnover of ₹10216 crore as against ₹6382 crore in the year 2016-17. The increase in import turnover was mainly contributed by higher imports of bullion, which continued to be the single largest item of import during 2017-18 yielding sales worth ₹10194 crore as against ₹4,272 crore during the previous year. Import of urea was nil during 2017-18 as against ₹2048 crore in 2016-17 as no authorisation for import of urea was received by STC from the GOI. During the year, the Company also supplied pulses worth ₹21 crore on Govt. Account and supplied equipment/ instruments worth approx. ₹2 crore to various State Govt. Departments/entities.

The Company achieved domestic sales turnover of ₹343 crore during 2017-18. The Company continued supply of imported coal to Bharat Oman Refineries Ltd. (BORL), fertilizers to tobacco growers in the state of Karnataka and cardamom through auctions to traders under licence obtained from the Spices Board. The Company also supplied pulses, edible oils and sugar to Tamil Nadu State Civil Supplies Corporation Ltd.

The Company reported a net profit of approx ₹38 crore during the year 2017-18 as against a net loss of ₹166 crore during the year 2016-17. However, in view of the current liquidity crunch being faced by company, low net worth, higher borrowing costs and the consequential need to conserve cash, the Board of Directors have not recommended any dividend for the year 2017-18.

The industrial relations in the company remained cordial during the year and no man-days were lost.

During the year, all recovery matters were vigorously monitored and pursued and as a result your Company was able to make recoveries to the tune of ₹237 crore. In view of the present financial situation, the Company also took various cost-cutting measures, such as, closing down non-productive branch offices, effecting reduction in controllable and avoidable expenses, etc. As a result, the Company achieved significant reduction in its administrative and trade expenses during the year 2017-18.

The Company has signed an MoU with the Ministry of Commerce & Industry in terms of which an overall target of ₹11600 crore for revenue from operations has been fixed under 'Excellent' category for the year 2018-19.

Keeping in view a number of past transactions leading to defaults by business associates in making payment of STC's dues, the Company is refraining from undertaking trade involving STC's funds/banking limits. As such, the Company is now laying greater focus on developing business with central/state government departments and their entities.

Besides above, the Company is also continuing to make efforts to develop business in existing areas of trade such as exports of steel products, rice, agro chemicals, red sanders, imports of bullion, fertilizers, edible oils, pulses, instruments/equipment and domestic sales of coal, fertilizers, pulses, cardamom, brass scrap, etc.

The Company is also continuing to undertake various steps aimed at further reduction in costs and improvement of liquidity position. For this purpose, an exercise for restructuring of existing loans as well as for raising additional loans for meeting the working capital requirement is already underway.

The company is committed to adhere to the corporate governance guidelines of Govt. of India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A Report on Corporate Governance has been brought out separately in the Directors' Report of the Company.

I welcome Shri Sunil Kumar, Additional Secretary, Department of Commerce and Shri S.C. Pandey, Special Secretary & Financial Advisor, Department of Commerce on joining the Board of the Company as Govt. nominee Directors. I also welcome Sh. Umesh Sharma, Director (Finance), MMTC on joining the Board of the Company as Director (Finance) with additional charge.

I also like to place on record deep appreciation for the valuable guidance and significant contributions made by Sh. Inderjit Singh and Sh. J K Dadoo during their tenure as Directors on the Board of STC, who have since ceased to be on the Board of the Company.

I take this opportunity to express my sincere thanks and gratitude to my colleagues on the Board of Directors for their valuable support and cooperation in the management of the company.

I am also thankful for the whole-hearted support received from Ministry of Commerce & Industry, other Ministries and Departments of Govt. of India, various state governments, financial institutions, banks, regulatory and statutory authorities, shareholders, CAG, statutory auditors / secretarial auditors, legal advisors and consultant from time to time and look forward for their continued support in Company's future endeavors.

I, on behalf of the entire Board of Directors, sincerely thank the employees of STC at all levels and would like to place on record the appreciation of the Board for the hard work and dedication of all the employees.

Thank you all.

Rajiv Chopra

Chairman & Managing Director
(Additional Charge) and Director (Marketing)

DIRECTORS' REPORT

The Board of Directors presents the 62nd Annual Report on the business and operations of the Company and its Audited Statement of Accounts for the year ended March 31, 2018 together with the Auditors' Report and Comments on the Accounts by the Comptroller and Auditor General (CAG) of India.

(PAT: ₹37.52 crore and other comprehensive income: ₹3.15 crore) is being retained as surplus in the Balance Sheet. Accordingly, as on 31st March 2018, the equity capital stood at ₹870.81 crore.



Shri Rajiv Chopra, CMD, STC and other Members of Board of Directors at the 62nd Annual General Meeting of STC held on 26th September, 2018 at C.O New Delhi.

FINANCIAL RESULTS

The performance of the Company during the year 2017-18 vis-à-vis the previous year is summarized in the table below: (₹Crore)

	2017-18	2016-17
TURNOVER		
Exports	266	789
Imports	10216	6382
Domestic	343	581
Grand Total	10825	7752
FINANCIALS		
Profit Before Tax	32	(-)150
Profit After Tax	38	(-)166
Net Worth (incl. revaluation reserves)	931	890

OPERATIONS AND BUSINESS PERFORMANCE

During 2017-18, your company recorded a business turnover of ₹10825 crores as against ₹7752 crores achieved in 2016-17. The increase in turnover was mainly due to higher bullion sales.

DIVIDEND

In view of the crisis faced by company on account of current liquidity crunch, low net worth, higher borrowing costs and the consequential need to conserve cash, the Board of Directors have not recommended any dividend for the year 2017-18.

OTHER EQUITY (RESERVES)

An amount of ₹830.15 crore (excluding revaluation reserves of ₹884.60 crore) was available in the Reserves and Surplus of the Company as on 1st April 2017. An amount of ₹40.67 crore

HUMAN RESOURCE

STC had 591 employees on its rolls as on 31.03.2018, which included 402 officers and 189 staff members. During the year, the Company recruited 3 Finance Professionals in the executive cadre.

Industrial Relations

During the year 2017-18, the company continued to maintain cordial harmonious industrial relations. No man-days were lost due to any labour unrest. Personnel policies and welfare schemes were suitably improved / amended so as to bring them in line with the overall business interests of the Company.

Recruitment of SC/ST/OBC/PWD

The Company has been following the Government of India policy for reservation/recruitment for SCs/STs/OBCs and PWD.

Employees' Learning & Development

With a view to enable employees to fulfil their potential and help them in their career progression, domain specific training opportunities and behavioural programmes were organized. During the year, around 206 employees were imparted training in different spheres. Besides, a six day induction training programme for recently recruited executives was organised at IIFT, New Delhi, wherein 29 executives participated.

In all, 235 employees were imparted training during the year wherein 486 man-days were dedicated.

STC'S performance in terms of MOU 2017-18 with respect to HRM Parameters:

- One of the HRM parameters for MoU 2017-18 was for holding DPC without delay for executives (E0 and above level), which was successfully completed as all DPCs from E1 to E8 level were held without delay in 2017-18.



- Another HRM parameter was preparation of succession plan and its approval by Board of Directors before 31.12.2017. The Succession Plan of the Corporation was successfully prepared and approved by Board of Directors in its 617th meeting held on 13.12.2017.
- With a view to develop a robust and transparent Performance Management System (PMS) as part of MoU target for the year 2017-18, online PMS has been introduced, and has been successfully implemented in the Corporation in respect of all executives (E1-E8) within prescribed timelines w.e.f. 08.02.2018 in compliance of MoU 2017-18 target.
- A week long (six day) Management Development Programme on "International Business" was conducted from March 12-17, 2018 for further enhancing/upgrading the skills of 29 newly recruited executives (i.e. 7.21% of the total executives) through IIFT, New Delhi a Centre of Excellence set up in 1963 by Govt. of India as an Autonomous organization.



Ms. Rita Teotia, the then Commerce Secretary, MOC&I and Shri Rajiv Chopra, CMD-STC (Additional Charge) exchanging MOU signed for the year 2018-19.

VIGILANCE ACTIVITIES

Vigilance plays a vital role in the adoption and implementation of best practices of Corporate Governance and ethics in the Company. During the year, Vigilance Division of the Company played an important role in sensitizing the employees about the preventive action to be taken while handling trade proposals and took measures to improve the existing system and processes.

Steps were also taken for systemic improvement in the areas of record management, defining of the role and responsibility of executives and scrutiny of APRs etc. Regular and surprise checks were conducted, in addition to 7 CTE type inspections to check proper implementation of STC's trade guidelines. Vigilance team also carried out detailed inspection of Chennai Branch during August 2017. Remedial measures were taken to expedite timely completion of investigations and disciplinary proceedings.

The Company observed Vigilance Awareness Week, 2017 from 30th October to 4th November, 2017 at Corporate Office and Branch Offices. The theme of the Vigilance Awareness Week was "My Vision- Corruption Free India". Laying stress for creation of awareness on the ill effects of corruption amongst school and college students, various outreach activities viz. quiz competitions, debates/elocution were also conducted.

OFFICIAL LANGUAGE

The Company has been making continuous efforts in implementation of official language policy of the Govt. of India. In order to achieve the targets, employees have been given training on working in Hindi on computers. Besides, they are provided necessary information on various aspects of official language through regular workshops conducted in Hindi. Raj Bhasha Fortnight was organised during September, 2017 in which employees were motivated towards use of official language Hindi through various Hindi competitions / programmes. On the occasion of Hindi Divas on 14th September 2017, winners of Hindi Competitions were given awards. In addition, employees contributing significantly to the execution of official language Hindi were given cash prizes under Official Language Encouragement Scheme. Divisions and Branch offices performing outstanding in the area of execution of official language were facilitated with Raj Bhasha Shield.



(From left to right) Dr. Jagdish Prasad, Chief Manager/HOD-Rajbhasha, Shri S.K. Sharma, Director (Personnel), Shri Rajiv Chopra, CMD, Shri P.K. Das, Director (Marketing), Shri Arvind K. Kadyan, Chief Vigilance Officer at the prize distribution ceremony of Hindi Divas/Rajbhasha Pakhwara at Corporate Office.



Shri Rajiv Chopra, CMD, Shri S.K Sharma, Director (Personnel) Shri P. K. Das, Director (Marketing) at the oath taking ceremony of Vigilance Awareness Week held during 30 October to 04 November, 2017.

Three training programmes on 'Vigilance Clearance', 'Role & responsibility of PO', and 'Role of Employees in maintaining integrity in the Organisation', were organised for the executives of the Corporation during the year 2017-18.

With a view to create awareness about the rules and procedures of the Company and about new developments taking place in the area of vigilance administration, Vigilance Division issued a quarterly e-newsletter "NAIDISHA"

During the year 2017-18, a total of 9 cases have been disposed off and action on remaining 22 cases is in progress as on 31.03.2018.

PERFORMANCE OF SUBSIDIARY COMPANY STCL Ltd. (Formerly, Spices Trading Company Limited)

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

At present, STCL has 11 employees on its rolls. Due to above developments, no business operations were undertaken by STCL during the year.

The company incurred a loss of ₹657 crore (unaudited) during 2017-18 mainly on account of the interest accrued on outstanding loans and had a negative net worth of ₹4562 crore (unaudited) as on 31.03.2018.



STC Employees at the inaugural function of Vigilance Awareness Week held during 30 October to 04 November, 2017 at C.O. New Delhi

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

EXTRACT OF THE ANNUAL RETURN

As required under Section 134(3) (a) of the Companies Act, 2013, an extract of the Annual Return pursuant to Section 92(3) of the Act is annexed to this Report at Annexure-II.

ANTI SEXUAL HARASSMENT POLICY

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

During the year, two complaints of sexual harassment were received. While one complaint has been disposed off in the financial year 2018-19, the interim report of the second complaint has been submitted to the Disciplinary Authority.

RIGHT TO INFORMATION

In order to promote transparency and accountability, an appropriate mechanism is in place in the Company to provide information to citizens under the provisions of Right to Information (RTI) Act, 2005.

DEPOSITS

The Company has not accepted any deposits from Public. Therefore, the requirement of Chapter V of the Companies Act, 2013 is not applicable to it.

There were no outstanding public deposits pending as on 01.04.2017.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year, the company has not provided/given any loans, guarantees or made any investment as specified under section 186 of the Companies Act, 2013.

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

The company has not entered into any contracts or arrangements with related parties as referred to in sub-section (1) of section 188 of the Companies Act, 2013. All transactions entered by the company with related parties were in the ordinary course of business and not at Arm's length basis.

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Celebrating the 127th Birth Anniversary of Dr. Baba Saheb Bhim Rao Ambedkar, seen on the dias along with Hon'ble Chief Guest are CMD, Director (Personnel), (Director Marketing) CVO, General Secretary and President, SC/ST Association

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY

As per DPE guidelines & provisions of Companies Act, 2013, the budgetary allocation of CSR is based on the profitability of the company. During the year 2016-17, the Company incurred a loss of ₹150 crore and average net profit of immediately preceding last three financial years was negative. Thus, no budget allocation was made for CSR during the year 2017-18 as per CSR Rules.

An amount of ₹15.11 lakh accrued from previous years was carried forward in the year 2017-18, out of which, an amount of ₹13.60 lakh was contributed to "Swachh Bharat Kosh" and an amount of ₹0.75 lakh was allocated to "Capacity Building" projects. Another ₹0.75 lakh was kept for contribution to Emergency Needs, however, the amount could not be utilized as need did not arise. This amount will be carried forward in the next year 2018-19 for the same purpose and it will be utilized as and when need arises.

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

PUBLIC PROCUREMENT POLICY

In pursuance of the Public Procurement Policy for Micro & Small Enterprises (MSEs) Order, 2012 notified by Ministry of Micro, Small and Medium Enterprises vide their Order dated 23rd March 2012, the Company had set an annual target of making a minimum 20 percent of its annual procurement of goods and services from MSEs, including 4 percent from MSEs owned by SC or ST entrepreneurs.

During the year 2017-18, the Company made procurement worth ₹1.93 crore from MSEs, which accounted for 54% of total value of annual procurement made by STC of goods produced and services rendered by MSEs as against 20% target specified in the guidelines. Out of this, procurement from SC/ST entrepreneur stood at ₹0.31 lakh i.e 16% as against a sub-target of 4%.

During the year 2018-19 also, the Company shall strive to achieve the annual procurement target of 20 percent of goods and services produced/rendered by MSEs, including 4 percent from MSEs owned by SC or ST entrepreneur.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ETC.

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

FINANCIAL ACCOUNTING

The Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) and in compliance with all applicable Indian Accounting Standards (Ind-AS) issued by The Institute of Chartered Accountants of India (ICAI) and notified by the Ministry of Corporate Affairs vide notification dated 16.02.2015 and Companies Indian Accounting Standards Rules 2015. These Indian Accounting Standard (Ind-AS) are applicable to the Company with effect from 01.04.2017 with transition date 01.04.2016. Accordingly, these financial statements for the year ended 31.03.2018 are first financial statements prepared by the Company in accordance with Ind-AS. The figures of previous year ended 31.03.2017 and figures of transition date i.e. 01.04.2016 have been re-stated as per the requirements of Ind-AS to make comparable and Ind-AS complied.

Considering the above requirements, the company has implemented Ind-AS during the financial year 2017-18 with the transition date being 01.04.2016. Detailed disclosures regarding first time adoption of Indian Accounting Standard, transition from IGAAP to Ind-AS and reconciliation of equity and assets is given at Note no.36 of the financial statements. Further, as per Ministry of Corporate Affairs (MCA) notification, the financial statements have been prepared as per the format prescribed under the schedule III (Division II) of the Companies Act 2013.



CMD - STC, Presenting bouquet to Chief Guest on the occasion of celebration of Ambedkar Jayanti at CO, STC

INTERNAL FINANCIAL CONTROLS

The Company has in place well-established internal financial controls. The Company has a well-defined Delegation of Powers (DOP), which lays down the financial powers available to various levels of company's executives. The DOP helps facilitate faster and prudent commercial decision-making by executives at various levels. During the year, the DOP was suitably amended from time to time to match accountability with authority considering the prevailing requirements.

The Company has an Internal Audit Division, supported by an outside professional Chartered Accountant firm, which conducts internal audit of company's corporate office as well as branches and suggests various preventive and corrective steps. The audit observations are periodically reviewed by the Management Audit Committee and the Audit Committee of the Board of Directors issues necessary directions, wherever required.

NUMBER OF MEETINGS OF THE BOARD

During the financial year 2017-18, nine meetings of the Board of Directors were held and the interval between any two Board meetings did not exceed 120 days.

DECLARATIONS GIVEN BY INDEPENDENT DIRECTOR

All the Part-time Non-official Directors (Independent Directors) have affirmed that they meet the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013, for the financial year ending 31.03.2018.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION ETC.

STC being a Government company, all members of the Board are appointed by the President of India through Administrative Ministry i.e. Ministry of Commerce & Industry, Govt. of India, which inter-alia fixes the remuneration through their respective appointment orders/pay fixation orders. The non-executive part-time official Directors (Government nominees) are not entitled for any remuneration or sitting fee on monthly basis. The part-time non-official (Independent) Directors are paid sitting fee for each Board / Committee meetings attended by them at the rate as per provisions of the Companies Act, 2013 and as approved by the Board from time to time.

The eligibility criterion for appointment of Independent Directors is laid down by the Department of Public Enterprises, Govt of India. The positive attributes expected to be exhibited by the Independent Directors are conveyed to them on their appointment and a declaration in the appropriate performa is obtained from them every year to confirm that they continue to qualify as Independent Director

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

The Companies Act, 2013 provides exemption to the Government Companies with respect to evaluation of Board and its Directors. However, evaluations of the directors are done by administrative ministry. The performance of the Company and Board of Directors are evaluated by the Department of Public Enterprises vis-à-vis MOU entered into with the Government of India.

RISK MANAGEMENT POLICY

A Board approved Risk Management Framework has been put in place to add objectivity to the process of risk management while taking a decision on accepting or rejecting a trade proposal. The Risk Management Framework measures the various risk involved in a business proposal in the form of a total risk score which is weighed vis-à-vis available risk mitigation measures.

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

HEDGING

The Company does not take exposure in volatile commodities/market condition. Generally, it makes purchases only against confirmed orders backed by appropriate margin money by way of EMD.

Guidelines are in place requiring forward foreign exchange cover to be taken in respect of transactions involving STC funds.

CORPORATE GOVERNANCE

The Company believes that Corporate Governance is at the root of the shareholders' value creation. Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidelines on Corporate Governance for CPSEs issued by the Department of Public Enterprises (DPE), Govt of India, a Report on Corporate Governance for the year 2017-18 forming part of this report is placed at Annexure-IV. The Company has complied with the conditions of Corporate Governance as stipulated in the above referred Regulations and DPE guidelines on Corporate Governance for CPSEs. Compliance certificate from the practicing Company Secretary in this regard and Management replies thereto, forming part of this Report, are placed at Annexure-V.

The Company has got its Secretarial Audit for the financial year ended 31st March, 2018 conducted by practicing Company Secretaries M/s P.C. Jain & Co. and their report along with Management replies to the observations made by Secretarial Auditors, forming part of this Annual Report, is placed at Annexure-VI.

In line with the best practices, your Company has made available all information of interest to its investors on the Company's Corporate website, namely, www.stclimited.co.in

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

- Whistle Blower Policy
- Web Archival Policy
- Policy on Preservation of Documents
- Policy on Materiality of Related Party Transactions and dealings with Related Party Transactions
- Policy for determination of materiality of events and information and their disclosures.
- Policy for determining material subsidiaries.



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

The separate meeting of Independent Directors were held on 28.11.2017 and 20.03.2018 at the registered office of the Company.

STATUTORY AUDITORS

M/s P. Jain & Company, Chartered Accountants were appointed as Statutory Auditors of the company for the financial year 2017-18 by the Comptroller & Auditor General of India (C&AG). Their report, along with replies of the Management, is attached and forms part of this report.

COMMENTS OF C&AG

The comments of C&AG under Section 143(6) of the Companies Act, 2013 on the accounts of the Corporation for the year 2017-18 and replies of the management thereto are attached and form part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, in relation to Directors' Responsibility Statement, it is hereby confirmed that:

(a) in the preparation of the annual accounts for the year ended 31st March, 2018, the applicable Indian Accounting Standards (Ind-AS) have been followed along with proper explanation relating to material departures;

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for the year 2017-18;

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The Directors have prepared the annual accounts on a going concern basis for the year ended 31st March, 2018;

(e) The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively; and

(f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

BOARD OF DIRECTORS

Appointment

Since the last Annual General Meeting, Shri Sunil Kumar, Additional Secretary, Department of Commerce, Ministry of Commerce & Industry, Govt. of India was appointed as Part Time Official Director on the Board of STC w.e.f. 21.10.2017 pursuant to Office Order dated 28.09.2017 issued by the Government of India, Ministry of Commerce & Industry, Department of Commerce, and as per provisions of the Companies Act, 2013.

Pursuant to Order dated 28.12.2017 of Government of India,

Ministry of Commerce & Industry, Department of Commerce and as per provisions of the Companies Act, 2013, Shri Umesh Sharma (holding DIN 03298909), Director (Finance) MMTC was assigned the charge of Director (Finance) STC in addition to his existing charge. Accordingly, Sh. Umesh Sharma assumed the charge of Director (Finance) STC w.e.f. 04.01.2018.

Shri S.C. Pandey Special Secretary & Financial Advisor, Department of Commerce, and Ministry of Commerce & Industry was appointed as Part time Official Director on the Board of STC Pursuant to Office Order dated 16.03.2018 issued by the Government of India, Ministry of Commerce & Industry, Department of Commerce and as per provisions of the Companies Act, 2013 w.e.f. 27.03.2018.

As per Section 161, other applicable provisions of the Companies Act, 2013, and Article 79(4) of the Articles of Association of the Company, these Directors will hold office up to the next Annual General Meeting of the Company and are eligible for appointment by the Company at that meeting as a Director.

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

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri S.K. Sharma, Director (Personnel) and Shri P. K. Das, Director (Marketing) shall retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

As per Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a brief resume of all Directors seeking appointment/re-appointment are given in the notice convening the 62nd Annual General Meeting of the Company.

Cessation

Shri Inderjit Singh, AS, DoC, who was appointed as Director w.e.f. 10.11.2016, ceased to be Director pursuant to Office Order dated 28.09.2017 issued by the Government of India, Ministry of Commerce & Industry, Department of Commerce.

Sh. Jitendra Kumar Dadoo, AS&FA, DoC, who was appointed as Director w.e.f. 06.08.2015 ceased to be Director pursuant to Office Order dated 16.03.2018 issued by the Government of India, Ministry of Commerce & Industry, Department of Commerce.

The Board appreciates the efforts and valuable contributions put in and guidance provided by Shri Inderjit Singh and Shri J.K. Dadoo, during their tenure as Members of the Board of STC.

KEY MANAGEMENT PERSONNEL

The Company has nominated its CMD, all Functional Directors and Company Secretary as Key Management Personnel pursuant to Section 203 of the Companies Act, 2013.

COMMITTEES OF DIRECTORS

Pursuant to the provisions of various Sections of the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company have constituted various Committees of Directors like

Audit Committee, Stakeholders Committee, Relationship Committee, CSR Committee, Nomination & Remuneration Committee. The composition of these committees & other details are mentioned in the Corporate Governance Report forming part of and annexed to the Directors' Report

CODE OF CONDUCT

Pursuant to the requirements of Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and DPE guidelines on Corporate Governance for CPSEs, the Board Members and Senior Management Personnel have affirmed compliance to the Code of Conduct for the financial year ending 31st March 2018.

ACKNOWLEDGEMENT

The Board of Directors would like to acknowledge and place on record its sincere appreciation of the continued patronage and the confidence posed by business associates and customers during the year.

The Board expresses and places on record its gratitude for the continued co-operation and support provided by the Ministry of Commerce and Industry, other Ministries and Departments of the Government of India, various state governments, financial institutions, banks, railways, ports, regulatory and statutory

authorities, shareholders, legal advisers and consultants from time to time.

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

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

For and on behalf of the Board of Directors

sd/-
(Rajiv Chopra)
Chairman & Managing Director
(Additional Charge)
DIN 06466326

New Delhi
Date: 10th August, 2018

MANAGEMENT DISCUSSION & ANALYSIS REPORT

WORLD ECONOMIC OVERVIEW

Global growth in 2017 was the fastest at 3.8 percent since 2011. With financial conditions still supportive, global growth is expected to tick up to a 3.9 percent rate in both 2018 and 2019. Advanced economies will grow faster than potential this year and euro area economies are set to narrow excess capacity with support from accommodative monetary policy, and expansionary fiscal policy will drive the US economy above full employment. Aggregate growth in emerging market and developing economies is projected to firm further, with continued strong growth in emerging Asia and Europe and a modest upswing in commodity exporters after three years of weak performance.

Global growth is projected to soften beyond the next couple of years. Once their output gaps close, most advanced economies are poised to return to potential growth rates well below pre-crisis averages, held back by aging populations and lacklustre productivity. US growth will slow below potential as the expansionary impact of recent fiscal policy changes goes into reverse. Growth is projected to remain subpar in several emerging markets and developing economies, including in some commodity exporter countries that continue to face substantial fiscal consolidation needs.

Growth in Emerging Market and Developing Economies is expected to increase from 4.8 percent in 2017 to 4.9 percent in 2018 and 5.1 percent in 2019. In China, growth is projected to moderate from 6.9 percent in 2017 to 6.6 percent in 2018 and 6.4 percent in 2019. The economy is also assumed to maintain progress on rebalancing from industry to services. Growth elsewhere in Emerging and Developing Asia is expected to remain strong. India's economy is projected to grow at 7.4 percent in 2018 and 7.8 percent in 2019, up from 6.7 percent in 2017. Among the ASEAN-5 economies (Indonesia, Malaysia, Philippines, Thailand, Vietnam), broadly stable growth is projected for the group, at 5.3 percent in 2018 and 5.4 percent in 2019 (compared with 5.3 per-cent in 2017).

Advanced Economies are projected to grow at 2.5 percent in 2018 i.e. 0.2 percentage point higher than in 2017, and 2.2 percent in 2019. The US growth forecast has been raised from 2.3 to 2.9 percent in 2018 and from 1.9 to 2.7 percent in 2019. Growth is expected to be lower than in previous forecasts for a few years from 2022 onward, given the temporary nature of some tax provisions. The recovery in the Euro Area is expected to strengthen from 2.3 percent in 2017 to 2.4 percent in 2018, before moderating to 2.0 percent in 2019. In France, growth is expected to firm up from 1.8 percent in 2017 to 2.1 percent this year, before softening slightly to 2.0 percent in 2019. In Germany, growth is expected to remain stable at 2.5 percent and moderate to 2.0 percent in 2019. Italy's economy is also set to grow at a stable rate

of 1.5 percent this year, softening to 1.1 percent in 2019. For Spain, growth is projected to decline from 3.1 percent in 2017 to 2.8 percent in 2018 and 2.2 percent in 2019. United Kingdom growth is projected to slowdown from 1.8 percent in 2017 to 1.6 percent in 2018 and 1.5 percent in 2019.

Global trade, which tends to be highly correlated with global investment, recovered strongly in 2017 after two years of weakness, to an estimated real growth rate of 4.9 percent. The upsurge was more pronounced in emerging markets and developing economies (with trade growth rising from 2.2 percent



in 2016 to 6.4 percent in 2017), reflecting improved investment growth rates in formerly stressed commodity exporters as well as the recovery in advanced economy investment and domestic demand, more generally. Among Advanced Economies, large exporters, such as Germany, Japan, United Kingdom, and United States, contributed strongly to the recovery in exports while the recovery in imports was broad based, except in the United Kingdom. Among emerging markets and developing economies, the rebound in export growth was particularly strong in

emerging Asia, especially China, in contrast, the rebound in imports largely reflects an import recovery among commodity exporters countries that had earlier experienced sharp investment and import contractions during the 2015-16 commodity price downturn.

OVERVIEW OF INDIAN ECONOMY

The year 2017-18 was marked with strong Macro-Economic fundamentals. However, the growth of gross domestic product (GDP) moderated in 2017-18 vis-à-vis 2016-17. There was an improvement in export growth, fiscal trends remained attuned to the consolidation plans and inflation remained within the limits. The year also witnessed an increase in global confidence in Indian economy as well as improvement in ease of doing business ranking.

As per the estimates released by the Central Statistics Office, GDP is estimated to grow at 6.6 per cent in 2017-18, as compared to the growth of 7.1 per cent achieved in 2016-17. The growth in agriculture, industry and services is estimated at 2.1 per cent, 4.4 per cent and 8.3 per cent respectively in 2017-18 as opposed to 4.9 per cent, 5.6 per cent and 7.7 per cent respectively in 2016-17. Growth rate of industry sector declined in 2017-18 mainly on account of moderate growth in manufacturing sector. It was the services sector that contributed to more than half of the overall GVA growth rate of 6.1 per cent in 2017-18. From the demand side, the final consumption expenditure has been the major driver of GDP growth.

The production of food grains during 2017-18 is estimated at 277.5 million tonnes, as compared to 275.1 million tonnes in 2016-17. Procurement of Rice during Kharif Marketing Season



2017-18 was 30.1 million tonnes, whereas procurement of wheat during Rabi Marketing Season 2017-18 was 30.8 million tonnes. The production of pulses during kharif season 2017-18 is estimated at 8.7 million tonnes, sugarcane at 337.7 million tonnes, oilseeds at 20.7 million tonnes and cotton at 32.3 million bales of 170 kgs each. Agricultural credit in India has been growing consistently at above 17 percent annually during the last decade.

The eight core infrastructure supportive industries, viz. coal, crude oil, natural gas, refinery products, fertilizers, steel, cement and electricity, that have a total weight of nearly 40 per cent in IIP, registered a cumulative growth of 4.3 per cent in 2017 as compared to 5.1 per cent in 2016. The combined Index of Eight Core Industries stands at 138.0 in March, 2018, which was 4.1 per cent higher as compared to the index of March, 2017. Its cumulative growth during April to March, 2017-18 was 4.2 per cent. Coal production increased by 2.5 per cent during 2017-18 over previous year. Crude Oil production declined by 0.9 percent during 2017-18 over the previous year. Fertilizer production increased by 0.03 percent during 2017-18 over previous year. Steel production increased by 5.6 percent during 2017-18 over previous year.

In 2017-18, value of India's exports was US\$ 303.38 billion as against US\$ 275.85 billion registering a positive growth of 9.98 percent over the previous year. Non-petroleum and Non Gems & Jewellery exports during 2017-18 were valued at US\$ 222.45 billion as compared to US\$ 200.55 billion for the corresponding period in previous year, registering an increase of 10.92%. Imports for 2017-18 were US\$ 465.58 billion as against US\$ 384.35 billion, registering a positive growth of 21.13 per cent over the last year. Oil imports during 2017-18 were valued at US\$ 109.11 billion, which was 26.21 per cent higher than the oil imports of US\$ 86.45 billion in the corresponding previous year. Non-oil imports during 2017-18 were valued at US\$ 350.56 billion, which was 17.88 per cent higher than the level of such imports valued at US\$ 297.39 billion in 2016-17.

The trade deficit for 2017-18 was estimated at US\$ 162.2 billion, which was about 50 percent higher than the deficit of US\$ 108.5 billion in 2016-17.

According to Department of Industrial Policy and Promotion (DIPP), the total FDI investments in India during April-December 2017 stood at US\$ 35.94 billion, indicating that government's effort to improve ease of doing business and relaxation in FDI norms is yielding results. Data for April-December 2017 indicates that the telecommunications sector attracted the highest FDI equity inflow of US\$ 6.14 billion, followed by computer software and hardware – US\$ 5.16 billion and services – US\$ 4.62 billion. Most recently, the total FDI equity inflows for the month of December 2017 touched US\$ 4.82 billion. During April-December 2017, India received the maximum FDI equity inflows from Mauritius (US\$ 13.35 billion), followed by Singapore (US\$ 9.21 billion), Netherlands (US\$ 2.38 billion), USA (US\$ 1.74 billion), and Japan (US\$ 1.26 billion). Indian impact investments may grow 25 percent annually to US\$ 40 billion from US\$ 4 billion by 2025.

Foreign exchange reserves stood at US\$ 424.4 billion on 30th March 2018, as compared to US\$ 370.0 billion at end-March 2017.

The CPI inflation declined to 3.3% during 2017-18 with a broad-based decline in inflation across major commodity groups except housing and fuel & light. The economy has witnessed a gradual transition from a period of high and variable inflation to more stable prices in the last four years.

OPPORTUNITIES AND THREATS

Global growth forecasts for 2018 and 2019 have been revised upward by 0.2 percentage point to 3.9 percent. The revision reflects increased global growth momentum and the expected impact of the recently approved U.S. Tax Policy changes. The effect on U.S. growth is estimated to be positive through 2020, cumulating to 1.2 percent through that year, with a range of uncertainty around this central scenario. Due to the temporary nature of some of its provisions, the tax policy package is projected to lower growth for a few years from 2022 onwards. The effects of the package on output in the United States and its trading partners contribute about half of the cumulative revision to global growth over 2018-19.

The cyclical rebound could prove stronger in the near term as the pickup in activity and easier financial conditions reinforce each other. On the downside, rich asset valuations and very



compressed term premiums raise the possibility of a financial market correction, which could dampen growth and confidence. A possible trigger is a faster-than-expected increase in advanced economy core inflation and interest rates as demand accelerates. If global sentiment remains strong and inflation muted, then financial conditions could remain loose into the medium term, leading to a build up of financial vulnerabilities in advanced and emerging market economies alike. Inward-looking policies, geopolitical tensions, and political uncertainty in some countries also pose downside risks.

The growth forecast for 2018 and 2019 has also been revised up for other advanced economies, reflecting in particular stronger growth in advanced Asian economies, which are especially sensitive to the outlook for global trade and investment. The growth forecast for Japan has been revised up for 2018 and 2019, reflecting upward revisions to external demand, the supplementary budget for 2018, and carryover from stronger-

than-expected recent activity. The aggregate growth forecast for the emerging markets and developing economies for 2018 and 2019 is unchanged, with marked differences in the outlook across regions.

Emerging and Developing Asia will grow at around 6.5 percent over 2018–19, broadly the same pace as in 2017. The region continues to account for over half of world growth. Growth is expected to moderate gradually in China (though with a slight upward revision to the forecast for 2018 and 2019 relative to the fall forecasts, reflecting stronger external demand), pick up in India, and remain broadly stable in the ASEAN-5 region.

The policy challenges for low-income countries are particularly complex, as they involve multiple, sometimes conflicting goals. These include supporting near-term activity; diversifying their economies and lifting potential output to maintain progress toward their Sustainable Development Goals; building buffers to enhance resilience, especially in commodity-dependent economies grappling with a subdued outlook for commodity prices; and tackling high and rising debt levels in many cases. Policy initiatives should continue to focus on broadening the tax base, mobilizing revenue, improving debt management, reducing poorly targeted subsidies, and channelling spending into areas that lift potential growth and improve the livelihoods (infrastructure, health, and education) of all.

Risks to the outlook are broadly balanced in the near term, but one notable threat to growth is a tightening of global financing terms from their current easy settings, either in the near term or later. In the near term, the global economy is likely to maintain its momentum absent a correction in financial markets—which have seen a sustained run-up in asset prices and very low volatility, seemingly unperturbed by policy or political uncertainty in recent months. Such momentum could even surprise on the upside in the near term if confidence in the global outlook and easy financial conditions continue to reinforce each other.

The prospects for Indian economy for the year 2018-19 need to be assessed in the light of emerging global and domestic developments. Indications are that global economic growth is expected to pick up slightly. This can be expected to provide further boost to India's exports, which have already shown acceleration in the current financial year. On the other hand, the increasing global prices of oil and other key commodities may exert an upward pressure on the value of imports. There are signs of revival of investment activity in the economy and the recent pick up in the growth of fixed investment can be expected to maintain momentum in the coming year. In line with the projections for strengthening of India's growth by multi-lateral institutions, the nominal growth of the economy is expected to be 11.5 per cent in the financial year 2018-19.

STC shall endeavour to make good use of every business opportunity coming its way to contribute to the projected growth in India's exports and overall share in world trade.

STC's PERFORMANCE

During 2017-18, the total turnover of the company reached ₹10825 crore as against ₹7752 crore in 2016-17. The increase in turnover was mainly contributed by higher bullion imports.

The performance of the company during the year 2017-18 vis-a-vis the previous year is summarized below:

	₹Crore	
	2017-18	2016-17
TURNOVER		
Exports	266	789
Imports	10216	6382
Domestic	343	581
Grand Total	10825	7752
FINANCIALS		
Profit Before Tax	32	(-)150
Profit After Tax	38	(-)166
Net Worth (incl. revaluation reserves)	931	890



SEGMENT-WISE PERFORMANCE & OUTLOOK

Exports

During the year, the Company's exports fell from ₹789 crore in 2016-17 to ₹266 crore mainly due to non-renewal of contract for export of steel plates/coils to Iran. However, during the year, the Company supplied steel rails worth ₹243 crore to Iran against an





MOU entered into with Iranian Railways.

The Company undertook exports of red sanders worth ₹15 crore out of the stocks confiscated by DRI. The Company also exported agro pesticides worth approx. ₹7 crore to Iran during the period.

Imports

During the year 2017-18, the Company achieved an import turnover of ₹10216 crore as against ₹6382 crore in the year 2016-17. The increase in import turnover was mainly contributed by higher imports of bullion.

Bullion continued to be the single largest item of import during 2017-18 yielding sales worth ₹10194 crore as against ₹4,272 crore during the previous year.

Import of urea was nil during 2017-18 as against ₹2048 crore in 2016-17 as no authorisation for import of urea was received by STC from the GOI.

During the year, the Company also imported and sold pulses worth ₹21 crore on Govt. Account and supplied equipment/instruments worth approx. ₹2 crore to various State Govt. Departments/entities.

Domestic sales

The domestic sales of the company amounted to ₹343 crore. The major items of domestic sales were as under:

Coal

The Company continued to undertake supplies of imported coal to Bharat Oman Refineries Ltd. (BORL) and supplied coal worth ₹12 crore during the year 2017-18 as against supplies worth ₹46 crore made in 2016-17.

Edible Oils & Sugar

During 2017-18, the Company contracted for supply of edible oils in 1 litre pouches to Tamil Nadu State Civil Supplies Corporation Ltd. (TNSCSC) for distribution under PDS and made supplies worth approx. ₹61 crore. The Company also supplied sugar worth approx. ₹14 crore to TNSCSC.

Pulses & Rice

The Company contracted for supply of pulses to Tamil Nadu State Civil Supplies Corporation Ltd. for distribution under PDS and

made supplies worth approx. ₹41 crore during the year. Pulses worth approx. ₹28 crore to other agencies and rice worth approx. ₹5 crore to Puducherry were also supplied during the year.

Fertilizers

The Company continued to undertake distribution of fertilizers to tobacco growers/farmers in the states of Karnataka and supplied 28099 MT (Previous year –26992 MT) of fertilizers to various tobacco growers/farmers. The same yielded a turnover of ₹73 crore (previous year –₹75 crore) during the year.

Cardamom Auctions

The Company also continued to conduct cardamom auctions involving collection of cardamom directly from planters and auctioning the pooled cardamom to the traders on e-auction platform at Bodinayakanur, Tamil Nadu. During the year, the Company conducted 42 auctions and sold 759 MTs of cardamom, which resulted in a turnover of ₹74 crore as against ₹120 crore in the previous year.

Besides above, the company also sold brass scrap (₹14 crore), spices & jaggery (₹17 crore) and gold coins (₹2 crore) in the domestic markets.

PROFITABILITY

The Company reported a net Profit of ₹38 crore during the year 2017-18 as against a net loss of ₹166 crore during the year 2016-17. The profit was mainly due to provisions, write-offs & other expenses (net of write-back) of (-) ₹29 crore as against ₹144 crore during 2016-17.

INTERNAL CONTROLS AND PROCEDURES

STC has a sound system of internal controls which ensures compliance with statutory requirements, regulations and various policies and guidelines of the Company. Besides Statutory Audit and Audit by the C&AG, regular and exhaustive internal audits are conducted through professional agencies in close coordination with STC's Internal Audit Division to ensure that a proper system of checks and balances is in place in the Company to take care that all the assets are safeguarded and protected against any possible loss and all the transactions are authorized, recorded and reported properly.

Internal Audit is conducted as per the Accounting Standards and Rules/policies formulated by the Company from time to time. Annual Audit Programme is approved by the Audit Committee of Directors. The observations/recommendations made by the auditing agencies are reported to Management Audit Committee and the Audit Committee of Directors along with a report on compliance of directions issued in the past. The quarterly financial statements as also reports of statutory and Government audit are reviewed by the Audit Committee of Directors before these are submitted to the Board of Directors.

The Company has a well-defined Delegation of Powers (DoP) in place, which lays down the powers for different managerial levels and Committees to facilitate faster decision making. The DOP was suitably amended from time to time to make accountability with authority considering the prevailing requirements. The systems and procedures laid down by the Company ensure maximum



transparency in all commercial deals. The various policies, procedures and guidelines are continuously reviewed and modified from time to time based on experience gained in the past transactions so as to improve the effectiveness of the systems of due diligence of associates and risk mitigation. A risk management framework has been put in place with the approval of Board of Directors to assess the risk involved in a trade proposal before it is approved.

The Company has a full-fledged Vigilance Division to oversee that the guidelines of the Government and the rules/procedures of the company are strictly adhered to/implemented in all matters. The Vigilance Division conducts inspection of Branch Offices of the Company and makes suggestions for taking corrective/preventive action.

WAY FORWARD

The Company has signed an MoU with the Ministry of Commerce & Industry in terms of which an overall turnover target of ₹11600 crore has been fixed for the year 2018-19 for 'Excellent' category.

Keeping in view a number of past transactions leading to defaults by business associates in making payment of STC's dues, the Company has, as a deliberate measure, decided to refrain from undertaking trade involving STC's funds/banking limits. As such, the Company shall lay greater focus on developing business with

central/state government departments and their entities during the year 2018-19.

Besides above, the Company shall continue to make efforts to develop business in existing areas of trade such as exports of steel products, rice, agro chemicals, red sanders, imports of bullion, fertilizers, edible oils, pulses, instruments/equipment and domestic sales of coal, fertilizers, pulses, cardamom, brass scrap, etc.

CAUTIONARY STATEMENT

Certain statements contained in this Annual Report may constitute forward-looking statements within the meaning of applicable laws and regulations. These statements are based on management's views and assumptions at the time information was prepared and involve known and unknown risks and uncertainties that could cause actual results or performance to differ materially from those expressed or implied in such statements made in this Annual Report. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.



FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended 31st March, 2018
(Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014)

I. REGISTRATION AND OTHER DETAILS

- (i) CIN : L74899DL1956GOI002674
- (ii) Registration Date : 18.05.1956
- (iii) Name of the Company : The State Trading Corporation of India Limited
- (iv) Category/ Sub-category of the Company : Government Company
- (v) Address of the Registered Office and Contact Details : Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-110001
Tel.: 011-23313177 /011-23701006 Fax-011-23701098
Email: cs@stclimited.co.in
- (vi) Whether Listed Company : Yes
- (vii) Name, address , and contact details of Registrar and Share Transfer Agents : MCS Share Transfer Agents Ltd.
F-65, 1st Floor,
Okhla Industrial Area, Phase-I,
New Delhi-110020
Tel.No.91-11-41406149/50/51/52
Fax: 91-41709881
Website:www.mcsregistrars.com
e-mail:admin@mcsregistrars.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr. No.	Name and description of the main products/services	NIC code of the Product/service	% of total turnover of the company
1.	Basic Precious metals like Gold and Silver	99611926	94.17%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable section
1.	STCL Limited	U85110KA1982GOI005013	Subsidiary	100%	Section 2(87)



II. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters										
(1) Indian										
(a) Individual/HUF		-	-	-	-	-	-	-	-	-
(b) Central Government		5,40,00,000	0.00	5,40,00,000	90.00	5,40,00,000	-	5,40,00,000	90.00	0.00
(c) State Governments		-	-	-	-	-	-	-	-	-
(d) Bodies Corporate		-	-	-	-	-	-	-	-	-
(e) Banks/FI		-	-	-	-	-	-	-	-	-
(f) Any other		-	-	-	-	-	-	-	-	-
(2) Foreign		-	-	-	-	-	-	-	-	-
(a) Individual (NRI/ Foreign Individual)		-	-	-	-	-	-	-	-	-
(b) Bodies Corporate		-	-	-	-	-	-	-	-	-
(c) Institutions		-	-	-	-	-	-	-	-	-
(d) Qualified Foreign Investor		-	-	-	-	-	-	-	-	-
Total shareholding of Promoter(A)		5,40,00,000		5,40,00,000	90.00	5,40,00,000	-	5,40,00,000	90.00	0.00
B. Public Share holding										
1. Institutions										
(a) Mutual Funds		28,3600	700	29,060	0.05	11702	700	12402	0.02	-0.03
(b) Banks/FI		4,406	0	4,406	0.01	5,600	0	5,600	0.01	0.00
(c) Central Govt		-	-	-	-				-	-
(d) State Govt(s)		-	-	-	-				-	-
(e) Venture Capital Funds		-	-	-	-				-	-
(f) Insurance Companies		11,49,320	0	11,49,320	1.92	11,49,320	0	11,49,320	1.92	0.00
(g) FIs		2,570	0	2,570	0.0	0	0	0	0.0	0.0
(h) Foreign Venture Capital Funds		-	-	-	-				-	-
(i) Others		-	-	-	-				-	-
Sub-total(B)(1):-		11,84,656	700	11,85,356	1.98	11,66,622	700	11,72,922	1.95	-0.03
2. Non-Institutions										
(a) Bodies Corp.		9,28,564	0	9,28,564	1.55	6,66,326	0	6,66,326	1.11	-0.44
(i) Indian		-	-	-	-				-	-
(ii) Overseas		-	-	-	-				-	-
(b) Individuals										
(i) Individual shareholders holding nominal share capital upto ₹2 lakh		36,42,373	20,434	36,62,807	6.10	39,72,522	19,442	39,91,964	6.65	0.55
(ii) Individual shareholders holding nominal share capital in excess of ₹2 Lakh		1,43,200	0	1,43,200	0.24	33,100	0	33,100	0.06	-0.18

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c) Others									
Non Resident Indians	79,073	0	79,073	0.13	1,40,288	0	1,40,288	0.23	0.10
Overseas Corporate Bodies	-	-	-	-				-	-
Foreign Nationals	-	-	-	-				-	-
Clearing Members	-	-	-	-				-	-
Trusts	1000	0	1000	0.00	1000	0	1000	0.00	0.00
Cooperative Society	-	-	-	-				-	-
Foreign Bodies-DR	-	-	-	-				-	-
Sub-total (B)(2):-	47,94,210	21,134	48,15,344	8.02	48,13,236	20,142	48,33,378	8.05	0.03
Total Public Shareholding (B)=(B)(1)+(B)(2)	59,78,866	21,134	60,00,000	10.00	59,79,858	20,142	60,00,000	10.00	0.0
(C) Shares held by Custodian for GDRs & ADRs	-	-	-	-				-	-
Grand Total (A+B+C)	5,99,78,866	21,134	6,00,00,000	100.00	5,99,79,858	20,142	6,00,00,000	100	0.00

(II) Shareholding of Promoter(s).

Sl. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered To total shares	
1.	President of India	5,40,00,000	90.00	0	5,40,00,000	90.00	0	0
	Total	5,40,00,000	90.00	0	5,40,00,000	90.00	0	0

(III) Change in Promoters' Shareholding (please specify, if there is no change):

Sl. No.	President of India	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	5,40,00,000	90.00	5,40,00,000	90.00
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase	NA	NA	NA	NA
	Decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	NA	NA	NA	NA
	At the end of the year (or on the date of separation, if separated during the year)	5,40,00,000	90.00	5,40,00,000	90.00

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(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	LIFE INSURANCE CORPORATION OF INDIA				
	At the beginning of the year	5,44,790	0.91	5,44,790	0.91
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)	NA	NA	NA	NA
	At the end of the year (or on the date of separation, if separated during the year)	5,44,790	0.91	5,44,790	0.91
2	THE NEW INDIA ASSURANCE COMPANY LIMITED				
	At the beginning of the year	5,35,000	0.89	5,35,000	0.89
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment /transfer/bonus/sweat equity etc.)	NA	NA	NA	NA
	At the end of the year (or on the date of separation, if separated during the year)	5,35,000	0.89	5,35,000	0.89
3	DIVAKAR RAO RAWALA				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.)				
	Date	Increase/Decrease	Reasons for Change		
	10/11/2017	43645	Purchase	43,645	0.07
	12/1/2018	2000	Purchase	45,645	0.08
	At the end of the year (or on the date of separation, if separated during the year)	45,645	0.08		
4	THE ORIENTAL INSURANCE COMPANY				
	At the beginning of the year	40,936	0.07	40,936	0.07
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	NA	NA	NA	NA
	At the end of the year (or on the date of separation, if separated during the year)	40,936	0.07		
5	PRAVEEN CHAND NAHAR				
	At the beginning of the year	33,100	0.06	33,100	0.06
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	NA	NA	NA	NA
	At the end of the year (or on the date of separation, if separated during the year)	33,100	0.06		

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
6	NATIONAL INSURANCE COMPANY LIMITED				
	At the beginning of the year	28,594	0.05	28,594	0.05
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	NA	NA	NA	NA
	At the end of the year (or on the date of separation, if separated during the year)	28,594	0.05		
7	ANGEL BROKING PRIVATE LIMITED				
	At the beginning of the year	21,352	0.04	21,352	0.04
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ Decrease (e.g. allotment/transfer/bonus/sweat equity etc.)				
	Date	Increase/Decrease	Reasons for Change		
	07.04.2017	-3994	Sale	17358	0.03
	14.04.2017	1937	Purchase	19295	0.03
	21.04.2017	89	Purchase	19384	0.03
	28.04.2017	262	Purchase	19646	0.03
	05.05.2017	2191	Purchase	21837	0.04
	12.05.2017	1272	Purchase	23109	0.04
	19.05.2017	-6199	Sale	16910	0.03
	26.05.2017	701	Purchase	17611	0.03
	02.06.2017	1531	Purchase	19142	0.03
	09.06.2017	-1862	Sale	17280	0.03
	16.06.2017	5625	Purchase	22905	0.04
	23.06.2017	8083	Purchase	30988	0.05
	30.06.2017	-1985	Sale	29003	0.05
	07.07.2017	285	Purchase	29288	0.05
	14.07.2017	-3673	Sale	25615	0.04
	21.07.2017	12727	Purchase	38342	0.06
	28.07.2017	-22910	Sale	15432	0.03
	04.08.2017	6532	Purchase	21964	0.04
	11.08.2017	-3851	Sale	18113	0.03
	18.08.2017	-4688	Sale	13425	0.02
	25.08.2017	420	Purchase	13845	0.02
	01.09.2017	-1686	Sale	12159	0.02
	08.09.2017	-1605	Sale	10554	0.02

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Sl. No.	For Each of the Top 10 Shareholders			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	15.09.2017	-1027	Sale			9527	0.02
	22.09.2017	4294	Purchase			13821	0.02
	29.09.2017	5096	Purchase			18917	0.03
	06.10.2017	-103	Sale			18814	0.03
	13.10.2017	-781	Sale			18033	0.03
	20.10.2017	-156	Sale			17877	0.03
	27.10.2017	9282	Purchase			27159	0.05
	03.11.2017	-11027	Sale			16132	0.03
	10.11.2017	35306	Purchase			51438	0.09
	17.11.2017	3080	Purchase			54518	0.09
	24.11.2017	9098	Purchase			63616	0.11
	01.12.2017	-8262	Sale			55354	0.09
	08.12.2017	-1269	Sale			54085	0.09
	15.12.2017	-638	Sale			53447	0.09
	22.12.2017	-735	Sale			52712	0.09
	29.12.2017	-3158	Sale			49554	0.08
	30.12.2017	-10	Sale			49544	0.08
	05.01.2018	2692	Purchase			52236	0.09
	12.01.2018	1382	Purchase			53618	0.09
	19.01.2018	-3178	Sale			50440	0.08
	25.01.2018	1095	Purchase			51535	0.09
	02.02.2018	20	Purchase			51555	0.09
	09.02.2018	-1958	Sale			49597	0.08
	16.02.2018	-10039	Sale			39558	0.07
	23.02.2018	-3863	Sale			35695	0.06
	02.03.2018	669	Purchase			36364	0.06
	09.03.2018	2083	Purchase			38447	0.06
	16.03.2018	-3831	Sale			34616	0.06
	23.03.2018	-8790	Sale			25826	0.04
	31.03.2018	2354	Purchase			28180	0.05
	At the end of the year (or on the date of separation, if separated during the year)			28,180	0.05		

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
8	EDELWEISS CUSTODIAL SERVICES LIMITED				
	At the beginning of the year	13,090	0.02	13,090	0.02
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.)				
	Date	Increase/Decrease	Reasons for Change		
	07.04.2017	-2207	Sale	10883	0.02
	14.04.2017	1525	Purchase	12408	0.02
	21.04.2017	2009	Purchase	14417	0.02
	28.04.2017	4011	Purchase	18428	0.03
	05.05.2017	-205	Sale	18223	0.03
	12.05.2017	-122	Sale	18101	0.03
	19.05.2017	76	Purchase	18177	0.03
	26.05.2017	-645	Sale	17532	0.03
	02.06.2017	-7613	Sale	9919	0.02
	09.06.2017	-472	Sale	9447	0.02
	16.06.2017	-965	Sale	8482	0.01
	23.06.2017	724	Purchase	9206	0.02
	14.07.2017	2310	Purchase	11516	0.02
	28.07.2017	2808	Purchase	14324	0.02
	04.08.2017	973	Purchase	15297	0.03
	11.08.2017	-1042	Sale	14255	0.02
	18.08.2017	1739	Purchase	15994	0.03
	25.08.2017	-6192	Sale	9802	0.02
	15.09.2017	-186	Sale	9616	0.02
	22.09.2017	-624	Sale	8992	0.02
	29.09.2017	2385	Purchase	11377	0.02
	13.10.2017	1863	Purchase	13240	0.02
	20.10.2017	-665	Sale	12575	0.02
	27.10.2017	-99	Sale	12476	0.02
	31.10.2017	4386	Purchase	16862	0.03
	03.11.2017	-8388	Sale	8474	0.01
	10.11.2017	-374	Sale	8100	0.01
	24.11.2017	-174	Sale	7926	0.01
	01.12.2017	-1884	Sale	6042	0.01

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Sl. No.	For Each of the Top 10 Shareholders			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	22.12.2017	-2	Sale			6040	0.01
	09.02.2018	23045	Purchase			29085	0.05
	16.02.2018	280	Purchase			29365	0.05
	23.02.2018	-6951	Sale			22414	0.04
	16.03.2018	90	Purchase			22504	0.04
	23.03.2018	3527	Purchase			26031	0.04
	31.03.2018	1311	Purchase			27342	0.05
	At the end of the year (or on the date of separation, if separated during the year)			27,342	0.05		
9	KARVY STOCK BROKING LTD (BSE)						
	At the beginning of the year			42,000	0.07		
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ Decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)						
	Date	Increase/ Decrease	Reasons for Change				
	21.04.2017	-10000	Sale			32000	0.05
	05.05.2017	12000	Purchase			44000	0.07
	16.06.2017	-9000	Sale			35000	0.06
	14.07.2017	-3000	Sale			32000	0.05
	04.08.2017	-6000	Sale			26000	0.04
	11.08.2017	16000	Purchase			42000	0.07
	18.08.2017	-1000	Sale			41000	0.07
	01.09.2017	-1000	Sale			40000	0.07
	15.09.2017	-1000	Sale			39000	0.07
	22.09.2017	-6000	Sale			33000	0.06
	13.10.2017	-7000	Sale			26000	0.04
	20.10.2017	-1000	Sale			25000	0.04
	27.10.2017	20000	Purchase			45000	0.08
	31.10.2017	-23000	Sale			22000	0.04
	03.11.2017	-12000	Sale			10000	0.02
	17.11.2017	36000	Purchase			46000	0.08
	24.11.2017	-15000	Sale			31000	0.05
	08.12.2017	-3000	Sale			28000	0.05
	15.12.2017	-1000	Sale			27000	0.05
	22.12.2017	-2000	Sale			25000	0.04
	At the end of the year (or on the date of separation, if separated during the year)			25,000	0.04		

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
10	DARSHAN FINANCIAL SERVICES PRIVATE LIMITED				
	At the beginning of the year	0	0		
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ Decrease (e.g. allotment/transfer/bonus/sweat equity etc.)				
	Date	Increase/Decrease	Reasons for Change		
	08.12.2017	5	Purchase	5	0
	16.03.2018	500	Purchase	505	0
	23.03.2018	20649	Purchase	21154	0.04
	At the end of the year (or on the date of separation, if separated during the year)	21,154	0.04		
11	JIMMY DADIBA COOPER				
	At the beginning of the year	71,500	0.12		
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.)				
	Date	Increase/Decrease	Reasons for Change		
	16.06.2017	-71500	Sale	0	0
	At the end of the year (or on the date of separation, if separated during the year)	0	0		
12	SVS SECURITIES PRIVATE LIMITED				
	At the beginning of the year	40,000	0.07		
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.)				
	Date	Increase/Decrease	Reasons for Change		
	19.05.2017	-10000	Sale	30000	0.05
	16.06.2017	-29800	Sale	200	0
	22.09.2017	800	Purchase	1000	0
	10.11.2017	-450	Sale	550	0
	17.11.2017	-550	Sale	0	0
	At the end of the year (or on the date of separation, if separated during the year)	0	0		

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Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
13	SUNDER SESHAN KALPATHI				
	At the beginning of the year	38,600	0.06		
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)				
	Date	Increase/Decrease	Reasons for Change		
	04.08.2017	900	Purchase	39500	0.07
	13.10.2017	-1500	Sale	38000	0.06
	20.10.2017	1500	Purchase	39500	0.07
	03.11.2017	-39500	Sale	0	0
	At the end of the year (or on the date of separation, if separated during the year)	0	0		
14	THE OMNISCIENT SECURITIES PRIVATE LIMITED				
	At the beginning of the year	29,100	0.05		
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/transfer /bonus/sweat equity etc.)				
	Date	Increase/Decrease	Reasons for Change		
	07.04.2017	-840	Sale	28260	0.05
	14.04.2017	-1841	Sale	26419	0.04
	21.04.2017	-469	Sale	25950	0.04
	28.04.2017	270	Purchase	26220	0.04
	05.05.2017	450	Purchase	26670	0.04
	19.05.2017	-270	Sale	26400	0.04
	16.06.2017	-900	Sale	25500	0.04
	28.07.2017	-900	Sale	24600	0.04
	13.10.2017	-28	Sale	24572	0.04
	20.10.2017	28	Purchase	24600	0.04
	03.11.2017	-900	Sale	23700	0.04
	10.11.2017	-7658	Sale	16042	0.03
	19.01.2018	1800	Purchase	17842	0.03
	25.01.2018	312	Purchase	18154	0.03
	02.02.2018	2608	Purchase	20762	0.03
	09.02.2018	-10563	Sale	10199	0.02
	At the end of the year (or on the date of separation, if separated during the year)	10,199	0.02		

(V) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Top10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Shri Rajiv Chopra, Director (Marketing) with additional charge CMD				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat Equity etc.)				
	At the end of the year	0	0	0	0
2.	Shri Inderjit Singh, Director (upto 28.09.2017)				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat Equity etc.)				
	At the end of 28.09.2017	0	0	0	0
3.	Shri J.K. Dadoo, Director (upto 16.03.2018)				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat Equity etc.)				
	At the end of 16.03.2018	0	0	0	0
4.	Shri Sunil Kumar, Director (w.e.f 21.10.2017)				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat Equity etc.)				
	At the end of the year	0	0	0	0
5.	Shri S.C Pandey, Director (w.e.f 27.03.2018)				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat Equity etc.)				
	At the end of the year	0	0	0	0
6.	Shri S. K. Sharma, Director (Personnel)				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat Equity etc.)				
	At the end of the year	0	0	0	0

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Sl. No.	For Each of the Top10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
7.	Shri P.K. Das, Director(Marketing)				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat Equity etc.)				
	At the end of the year	0	0	0	0
8.	Shri Umesh Sharma, Director (Finance) MMTC with additional charge of Director(Finance) STC				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat Equity etc.)				
	At the end of the year	0	0	0	0
9.	Shri Khaleel Rahim, Chairman & Managing Director (under suspension w.e.f 18.11.2016)				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat Equity etc.)				
	At the end of the year	0	0	0	0
10.	Shri. S. K. Gupta, Director(Marketing) upto 13.07.2017				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat Equity etc.)				
	At the end of the year	0	0	0	0
11.	Shri Arvind Gupta (Independent Director)				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat Equity etc.)				
	At the end of the year	0	0	0	0
12.	Dr. N Sundaradevan (Independent Director)				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat Equity etc.)				
	At the end of the year	0	0	0	0

Sl. No.	For Each of the Top10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
13.	Dr. K Rangarajan (Independent Director)				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat Equity etc.)				
	At the end of the year	0	0	0	0
14.	Shri Sunil H Trivedi (Independent Director)				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat Equity etc.)				
	At the end of the year	0	0	0	0
15.	Ms. Bharathi Magdum (Independent Director)				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat Equity etc.)				
	At the end of the year	0	0	0	0
16.	Shri Mohan Lal Pareek (Independent Director)				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat Equity etc.)				
	At the end of the year	0	0	0	0
17.	Dr. Amitabh Rajan (Independent Director)				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat Equity etc.)				
	At the end of the year	0	0	0	0
18.	Shri Bharatsinh Prabhatsinh Parmar (Independent Director)				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat Equity etc.)				
	At the end of the year	0	0	0	0

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Sl. No.	For Each of the Top10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
19.	Shri S.K.Singhal, Chief Financial Officer (w.e.f 05.03.2018)				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat Equity etc.)				
	At the end of the year	0	0	0	0
20.	Ms. Ritu Arora, Company Secretary (upto 03.01.2018)				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat Equity etc.)				
	At the end of the year	0	0	0	0
21.	Ms. Kamlesh Kumari, Company Secretary (w.e.f 04.01.2018)				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat Equity etc.)				
	At the end of the year	0	0	0	0

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	16,67,06,86,302	21,943	-	16,67,07,08,245
ii) Interest due but not paid	50,36,68,673	-	-	50,36,68,673
iii) Interest accrued but not due	1,29,40,916	-	-	1,29,40,916
Total (i+ii+iii)	17,18,72,95,891	21,943	-	17,18,73,17,834
Change in Indebtedness during the financial year				
• Addition	80,89,58,590	-	-	80,89,58,590
• Reduction	30,04,22,384	(21,943)	-	(30,04,44,327)
Net Change(+)	50,85,36,206	(21,943)	-	50,85,14,263
Indebtedness at the end of the financial year				
i) Principal Amount	17,47,96,44,892	-	-	17,47,96,44,892
ii) Interest due but not paid	21,61,87,205	-	-	21,61,87,205
iii) Interest accrued but not due				
Total (i+ii+iii)	17,69,58,32,097	-	-	17,69,58,32,097

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Shri Rajiv Chopra	Shri S. K. Sharma	Shri P.K. Das	Shri Khaleel Rahim*	Shri. S.K. Gupta**	Total
1.	Gross salary						
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30,68,856	29,24,245	28,36,480	18,17,350	6,47,406	1,12,94,337
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	71,071	61,277	52,575	2,54,648	9,347	4,48,918
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-
2.	Stock Option	NA	NA	NA	NA	NA	NA
3.	Sweat Equity	NA	NA	NA	NA	NA	NA
4.	Commission - as % of profit - others, specify...	NA	NA	NA	NA	NA	NA
5.	Others, please specify PF, Pension	4,76,832	4,54,346	4,39,225	0	56,989	14,27,392
	Provisions	6,68,965	14,01,416	13,05,528	2,03,906	0	35,79,815
	Total(A)	42,85,724	48,41,284	46,33,808	22,75,904	7,13,742	1,67,50,462
	Ceiling as per the Act	NA	NA	NA	NA	NA	NA

* Shri Khaleel Rahim, Chairman & Managing Director of the Company, who has been placed under suspension pursuant to Order dated 18.11.2016 of the Ministry of Commerce & Industry.

** The tenure of Shri S.K. Gupta, Director (Marketing) has been terminated as per Ministry of Commerce and Industry, Dept. of Commerce order dated 13.07.2017.

Shri Umesh Sharma, Director (Finance) MMTC having only additional charge of Director (Finance) STC w.e.f. 04.01.2018 hence no remuneration was paid during FY 2017-2018.

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Dr. N. Sundara devan	Dr. K. Ranga rajan	Shri Sunil H. Trivedi	Shri Arvind Gupta	Dr. Amitabh Rajan	Shri M.L. Pareek	Ms. Bharathi Magdum	Shri Bharatsinh Parmar	Total Amount
1.	Independent Directors									
	• Fee for attending board committee meetings	2,20,000	2,60,000	1,40,000	1,00,000	2,00,000	3,60,000	2,40,000	80,000	16,00,000
	• Commission									
	• Others, please specify									
	Total (1)	2,20,000	2,60,000	1,40,000	1,00,000	2,00,000	3,60,000	2,40,000	80,000	16,00,000
2.	Other Non-Executive Directors									
	• Fee for attending board committee meetings	-	-	-	-	-	-	-	-	-
	• Commission									
	• Others, please specify									
	Total(2)	-	-	-	-	-	-	-	-	-
	Total (B)=(1+2)	2,20,000	2,60,000	1,40,000	1,00,000	2,00,000	3,60,000	2,40,000	80,000	16,00,000
3.	Total Managerial Remuneration (A+B)									1,83,50,462
	Overall Ceiling as per the Act	NA	NA	NA	NA	NA	NA	NA	NA	NA



C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Ms. Ritu Arora Company Secretary (upto 03.01.2018)	Ms. Kamlesh Kumari Company Secretary (w.e.f 04.01.2018)	Shri. S.K. Singhal Chief Financial Officer (w.e.f 05.03.2018)	
1. Gross salary					
(a)	Salary as per provisions contained in section 17 (1) of the Income-tax	12,68,725	1,93,505	1,45,791	16,08,021
(b)	Value of perquisites u/s 17 (2) Income-tax Act, 1961	36,442	5,681	0	42,123
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission-as % of profit - Others, specify...	-	-	-	-
5.	Others, please specify - PF & Pension	1,96,740	30,240	22,784	2,49,764
	Provisions	0	1,14,870	12,10,665	13,25,535
	Total	15,01,907	3,44,296	13,79,240	32,25,443

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding of offenses	Authority (RD/NCLT/ Court)	Appeal made, if any (give details)
A. Company					
Penalty	NOT APPLICABLE				
Punishment					
Compounding					
B. Directors					
Penalty	NOT APPLICABLE				
Punishment					
Compounding					
C. Other Officers in default					
Penalty	NOT APPLICABLE				
Punishment					
Compounding					

ANNUAL REPORT ON CSR ACTIVITIES: 2017-18

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs

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

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

Overview of projects/programs proposed to be undertaken during the FY2018-19

CSR budget is prescribed on the basis of the average net profit of last three immediately preceding financial years. The Company's net profit for the last three years was ₹22.70 Crore (FY15-16), (-) ₹148.37 Crore (FY2016-17) and ₹32.25 Crore (FY2017-18). Since average net profit of last three immediately preceding financial years is in loss, no CSR budget is allocated for the year 2018-19 and thus, no new CSR activities have been planned for the year 2018-19. However, there is an unspent amount of ₹0.75 lakh allocated for Emergency needs is being carrying forward to the financial year 2018-19.

2. The Composition of the CSR Committee

As per Section 135 of Companies Act, 2013, STC has constituted CSR Committee at Board Level headed by Independent Director. As on 31.03.2018, the CSR Committee consists of the following members:

- Shri. Sunil H. Trivedi - Chairperson
- Shri B.P. Parmar - Member
- Shri Arvind Gupta - Member
- Shri S.K. Sharma - Member
- Shri Umesh Sharma - Member

3. Average net profit of the company for last three financial years

Year	Profit (₹ in Lakh)
2014-15	31.40
2015-16	22.70
2016-17	(148.37)
Average net profit for the last 3 years	(31.42)

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above)

In view of the average net loss of ₹31.42 Crore, the Company was not mandatory to prescribe CSR expenditure for the financial year 2017-18.

5. Details of CSR spent during the financial year

a. Total amount to be spent for the financial year

Since the average net profit of FY2016-17 was negative, no CSR budget was allocated in the year 2017-18. However, an amount of ₹15.11 lakh accrued from previous years was carried forward to FY2017-18, out of which, an amount of ₹13.60 lakh was allocated for 'Contribution to Swachh Bharat Kosh', ₹0.75 lakh was allocated towards 'Capacity Building' and ₹0.75 lakh earmarked for 'Emergency Needs'. The total amount spent during the financial year 2017-18 was ₹13.71 lakh.

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b. Amount unspent, if any;

The budget allocated for Emergency Needs amounting to Rs. 0.75 lakh could not be spent as need did not arise. This amount will be carried forward to FY2018-19 for the same purpose and it will be utilized when the need arises.

c. Manner in which the amount spent during the financial year is detailed below:

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects and Location	Amount Outlay (₹ In Lakh)	Amount spent on the projects or programs Sub heads: (1) Direct Expenditure on project or program (2) Overheads (₹ In lakh)	Cumulative expenditure upto the reporting period (₹ In Lakh)	Amount Spent: Direct or through implementing agency
1.	Contribution to Swacch Bharat Kosh	Sanitation	Delhi	13.60	1. 13.60 2. Nil	13.60	Implementing Agency (Dept. of Expenditure, Min. of Finance, Gol)
2.	Capacity Building	Education	Delhi	0.75	1. 0.11 2. Nil	0.11	Direct
	Total			14.35		13.71	

d. Reasons for not spending the CSR Fund for the financial year 2017-18

The Company was not mandated to allocate CSR funds for the financial year 2017-18 in view of average net loss of ₹31.42 Crore for the last three years.

e. Responsibility statement on CSR Committee

It is hereby confirmed that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Sd/-

(Sanjeev K. Sharma)
Director (Personnel)
DIN: 06942536

Sd/-

(Sunil H. Trivedi)
Chairman (CSR Committee)
DIN: 01670280

Sd/-

(Rajiv Chopra)
Director (Marketing) & Addn.Charge
Chairman & Managing Director
DIN : 06466326

Place : New Delhi
Date : 28th May, 2018

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY

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

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

STC believes that Corporate Governance is not a mere legal compliance but rather a prerequisite to maximize value for all stakeholders. It strives to adopt such corporate practices that are based on transparency and proper disclosures and ensure accountability of the persons in key positions there by benefiting investors, customers, creditors, employees and the society at large.

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

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

The Company adheres to good corporate practices and constantly strives to improve the same.

1. BOARD OF DIRECTORS

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

1.2 Composition

STC being a Government Company, all its Directors are appointed by the President of India, through the Ministry of Commerce & Industry. Articles of Association of the Company stipulate that the number of Directors shall not be less than four and more than sixteen. As on 31st March, 2018, there were Fifteen (15) Directors on the Board comprising, Five (5) whole time Functional Directors including Shri Khaleel Rahim, Chairman & Managing Director of the Company, who has been placed under suspension pursuant to order dated 18.11.2016 of the Ministry of Commerce & Industry, Two(2) part-time official Directors, who are the Government nominees and Eight (8) part-time non official Directors (Independent Directors). Consequent upon suspension of Shri Khaleel Rahim, Shri Rajiv Chopra, Director(Marketing) has been entrusted with the Additional charge of CMD w.e.f 28.11.2016 by Orders of the Govt. of India , Ministry of Commerce and Industry. All the Directors except CMD and Independent Directors are liable to retire by rotation. At least one third of such Directors retire every year and if eligible, qualify for reappointment.

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

1.3 Board Meetings

The meetings of the Board are generally held at the registered office of the Company and are convened by giving appropriate advance notice after approval of the Chairman of the Board. The Board of STC meets regularly at least once in a quarter. The meetings of the Board are conducted as per a structured agenda and members of the Board have complete access to all information of the Company and are also free to recommend inclusion of any subject matter in the agenda for discussion. Detailed agenda containing the management reports and other explanatory statements are circulated in advance amongst the members of the Board for facilitating meaningful, informed and focussed decisions at the meetings. Where it is not practicable to circulate any document or the agenda note for a particular item of business, the same is tabled with the approval of Chairman and majority of the Board members. Senior officials are called to provide additional inputs to the items being discussed by the Board, as and when necessary.



1.3.1 Attendance

The details of the Directors with regard to their category, directorship in other companies, membership/ chairmanship in committees of the boards of other companies as well as attendance at Board Meetings/ Annual General Meeting during 2017-18 are as follows:

Name & Designation	No.of Board Meetings held during the tenure	No. of Board Meetings attended	Whether attended last AGM held on 26.09.2017	As on 31.03.2018	
				No. of Directorships in other Public Limited Companies	Memberships/ Chairmanship in Committees of the Boards of other companies
Functional Directors					
Shri Rajiv Chopra Director (Marketing) with additional charge of CMD w.e.f 28.11.2016	10	10	Yes	1	Nil
Shri S.K. Sharma Director (Personnel)	10	10	Yes	Nil	Nil
Shri P. K. Das Director (Marketing)	10	10	Yes	Nil	Nil
Shri S.K. Gupta Director (Marketing) (up to 13.07.2017)	3	3	NA	NA	NA
Shri Umesh Sharma Director(Finance) MMTC with additional charge of Director (Finance), STC (w.e.f. 04.01.2018)	2	1	NA	3	2
Shri Khaleel Rahim* Chairman and Managing Director (Under suspension w.e.f 18.11.2016)	NA	NA	NA	NA	NA
Shri J. K. Dadoo Additional Secretary and Financial Advisor, DoC (upto 16.03.2018)	10	8	No	NA	NA
Dr. Inderjit Singh Additional Secretary, DoC (upto 28.09.2017)	5	3	No	NA	NA
Shri Sunil Kumar Additional Secretary, DoC (w.e.f 21.10.2017)	5	4	NA	1	Nil
Shri S.C.Pandey Special Secretary & Financial Advisor, DoC (w.e.f 27.03.2018)	NA	NA	NA	6	1
Part-time Non-Official Directors – Independent Directors					
Dr. N Sundaradevan, Independent Director (w.e.f. 03.08.2016)	10	6	Yes	3	2
Dr. K Rangarajan, Independent Director (w.e.f. 03.08.2016)	10	6	Yes	Nil	Nil
Shri Sunil Trivedi, Independent Director (w.e.f. 03.08.2016)	10	6	No	1	Nil

Name& Designation	No. of Board Meetings held during the tenure	No. of Board Meetings attended	Whether attended last AGM held on 26.09.2017	As on 31.03.2018	
				No. of Directorships in other Public Limited Companies	Memberships/ Chairmanship in Committees of the Boards of other companies
Shri Arvind Gupta, Independent Director (w.e.f. 03.08.2016)	10	5	Yes	2	Nil
Dr. Amitabh Rajan, Independent Director (w.e.f. 14.02.2017)	10	7	Yes	Nil	Nil
Shri Mohan Lal Pareek Independent Director (w.e.f 14.02.2017)	10	10	Yes	Nil	Nil
Ms. Bharathi Magdum Independent Director (w.e.f. 24.03.2017)	10	10	Yes	Nil	Nil
Shri Bharatsinh Parmar Independent Director (w.e.f. 31.03.2017)	10	3	Yes	Nil	Nil

*Shri Khaleel Rahim, Chairman & Managing Director of the Company, who has been placed under suspension pursuant to order dated 18.11.2016 of the Ministry of Commerce & Industry.

One meeting (612th Board Meeting held on 26.05.2017) was adjourned on 30.05.2017; hence only for the purpose of attendance of Directors, it is mentioned as two meetings.

Notes:

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

1.3.2 Details of Board Meetings

During the financial year 2017-18, Nine (9) meetings of the Board were held, the details of which are as below:

Sr. No.	Meeting No.	Date of Board Meeting
1.	611	09.05.2017
2.	612	26.05.2017 adjourned on 30.05.2017
3.	613	10.08.2017
4.	614	13.09.2017
5.	615	01.11.2017
6.	616	28.11.2017
7.	617	13.12.2017
8.	618	09.02.2018
9.	619	05.03.2018

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



1.4 Changes in the Board of Directors

Ministry of Commerce & Industry, Department of Commerce (DoC) vide its Office Order No.A-12022/08/2015-E.IV (Vol.I) dated 13.07.2017 terminated the tenure of Shri S.K Gupta, Director-Marketing (holding DIN 01127710) w.e.f 13.07.2017 and as per the MoC's Office Order A-12022/08/2015-E.IV (Vol.I) dated 13.07.2017, Shri P.K. Das Director-Marketing (holding DIN 03145622) has taken over additional charge of Director (Marketing), the post vacated by Shri S.K Gupta w.e.f 14.07.2017

Ministry of Commerce & Industry, Department of Commerce (DoC) vide its Office Order No.11/36/2001 FT(MO) Division dated 28.09.2017 appointed Shri Sunil Kumar (holding DIN 07592258), Additional Secretary, Department of Commerce, Ministry of Commerce & Industry, as Part time Official Director of STC vice Dr. Inderjit Singh, Additional Secretary, Department of Commerce and appointed as Additional Director on the Board of STC w.e.f.21.10.2017.

Pursuant to Order dated 28.12.2017 of Government of India, Ministry of Commerce & Industry, Department of Commerce, the President of India has appointed Shri Umesh Sharma (holding DIN 03298909), Director (Finance) MMTC, as an Additional Director and as per provisions of the Companies Act, 2013 w.e.f. 04.01.2018

Ministry of Commerce & Industry, Department of Commerce vide its Office Order no. 11/36/2001 FT (MO),Vol I Division dated 16.03.2018 appointed Shri S.C. Pandey (holding DIN 01613073) , Special Secretary & Financial Advisor, Dept. of Commerce as Part time Official Director of STC vice Shri Jitendra Kumar Dadoo, Additional Secretary and Financial Advisor, Dept. of Commerce and appointed as Additional Director on the Board of STC w.e.f. 27.03.2018.

Shri Khaleel Rahim (holding DIN 02455606), Chairman & Managing Director of the Company is under suspension pursuant to Order dated 18.11.2016 of Ministry of Commerce & Industry, Department of Commerce and Shri Rajiv Chopra, Director (Marketing) has been given additional charge of CMD (w.e.f. 28.11.2016 as per Orders of Doc.

As per Section 149, 161 and other applicable provisions of the Companies Act, 2013, these Additional Directors will hold office up to the next Annual General Meeting (AGM) of the Company and will be regularized as Directors at the ensuing AGM.

The Board appreciated the efforts and valuable contribution of put in and guidance provided by Dr. Inderjit Singh and Shri J.K.Dadoo during their tenure as Members of Board. Board also welcomes all the new Directors and hopes that the Company shall immensely benefit from their rich and varies experience.

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

As per Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a brief resumes of all Directors retiring by rotation and seeking appointment/re-appointment indicating nature of their experience in specific functional areas, names of Companies in which they hold directorship and membership/chairmanship of Boards/ Committees are appended to the notice calling the 62nd Annual General Meeting of the Company.

3. BOARD COMMITTEES

The Company has the following Committees of the Board:

3.1 Audit Committee

The terms of reference of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013, Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Guidelines on Corporate Governance for CPSEs issued by DPE from time to time. The Audit Committee is responsible for the effective supervision of the financial reporting processes to ensure proper disclosure of financial statements, their credibility ,compliance with the accounting standards, stock exchanges and other legal requirements, reviewing internal control systems, reviewing findings of internal audit and ensuring follow up action on significant findings, and reviewing quarterly, half yearly and yearly accounts etc..

The Audit Committee had been reconstituted on 01.11.2017 comprising Dr. K. Rangarajan as Chairman and Shri J.K. Dadoo, Shri N. Sundaradevan and Shri M.L. Pareek as members of the Committee. After Cessation of Shri J.K. Dadoo, the Audit Committee has again reconstituted on 28.05.2018 and existing Audit Committee as on comprising Dr. K. Rangarajan as Chairman and Shri S.C. Pandey, Shri N. Sundaradevan and Shri M.L Pareek as members.

Besides the above, all Functional Directors, Finance Divisional Heads and Statutory Auditors are special invitees to the meetings.

Details of Attendance & Meeting held during FY 2017-18 are as follows:-

3.3.1 Attendance:

Member	No of Meetings held during the period	Date of Board Meetings attended
Shri J.K. Dadoo, AS & FA, Doc	5	3
Dr. K. Rangarajan	5	4
Dr. N. Sundaradevan	5	3
Shri M.L. Pareek	5	5

3.1.2 Details of Audit Committee Meetings:

During the financial year 2017-18, Five (5) meetings of Audit Committee Meetings were held. The details of Audit Committee meetings are as follows:

Sr. No.	Meeting No.	Date of the Audit Committee Meeting
1.	81	26.05.2017
2.	82	10.08.2017
3.	83	13.09.2017
4.	84	13.12.2017
5	85	09.02.2018

3.2 Nomination and Remuneration Committee

The term of reference of the Nomination and Remuneration Committee is as per Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. Ministry of Corporate Affairs, through notification dated 05.06.2015, has exempted the Government Companies from applicability of Section 178(2), (3) and (4) of the Companies Act, 2013 except with regard to appointment of senior management employees. STC being a Government Company, terms and conditions of appointment and remuneration of whole-time Functional Directors including CMD are determined by the Government through administrative ministry, the Ministry of Commerce and Industry. Non-Executive part-time official Directors (Government nominees) do not draw any remuneration or sitting fee. Non-executive part-time non-official Directors (Independent Directors) are paid sitting fees of Rs.20,000/- for each Board/ Committee meeting attended by them which has been approved by the Board and are within the prescribed limit as per Companies Act, 2013.

Consequent upon appointment of Independent Directors on the Board of STC, the Nomination and Remuneration Committee was reconstituted comprised three (3) Independent Directors. The present Nomination and Remuneration Committee of the Board was reconstituted on 11.04.2017. As on 31.03.2018, the Nomination and Remuneration Committee comprised three Independent Directors, Dr. Amitabh Rajan, as Chairman Ms. Bharathi Magdum and Shri Arvind Gupta, as members

No meetings of Nomination and Remuneration Committee were held during the FY 2017-18.

3.2.1 Directors' Remuneration

Remuneration of Directors' for the year ended 31.03.2018 was as follows:

(a) Functional Directors:

(₹ in Lakh)						
Sr. No.	Names	Salary incl. DA	Other perquisites & Benefits	P.F + Pens	Provn. (2017-18)	Total
1.	Shri Rajiv Chopra	30.68	0.71	4.76	6.68	42.85
2.	Shri S.K. Sharma	29.24	0.61	4.54	14.01	48.41
3.	Shri P.K. Das	28.36	0.52	4.39	13.05	46.33
4.	Shri Khaleel Rahim*	18.17	2.54	0	2.03	22.75
5.	Shri S.K. Gupta**	6.47	0.09	0.56	0	7.13
6.	Shri Umesh Sharma#	-	-	-	-	-



- * Shri Khaleel Rahim, Chairman & Managing Director of the Company, who has been placed under suspension w.e.f 18.11.2016 ,pursuant to order dated 18.11.2016 of the Ministry of Commerce & Industry.
- ** The tenure of Shri S.K. Gupta, Director (Marketing) has been terminated w.e.f 13.07.2017 as per Ministry of Commerce and Industry, Dept. of Commerce order dated 13.07.2017.
- # Shri Umesh Sharma, Director (Finance) MMTTC having only additional charge of Director (Finance) STC w.e.f 04.01.2018.

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

Non-Executive non-official Directors are paid sitting fees at the rate of Rs.20, 000 /-for attending each meeting of the Board/ Committee thereof. Details of payments made to Independent Directors during the year 2017-18 are given:-

Sr. No.	Name of Independent Director	Sitting Fee (Excluding Service Tax) (Rs. in Lakh)
1.	Dr. N Sundaradevan	2.20
2.	Dr. K. Rangarajan	2.60
3.	Shri Sunil Trivedi	1.40
4.	Shri Arvind Gupta	1.00
5.	Dr. Amitabh Rajan	2.00
6.	Shri Mohan Lal Pareek	3.60
7.	Ms. Bharathi Magdum	2.40
8.	Shri Bharatsinh Parmar	0.80

3.2.2 Stock Options

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

3.2.3 Equity Shares held by Directors

None of the Directors hold any equity shares in the Company

3.2.4 Service contracts, notice period, severance fee.

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

Independent Directors are appointed by the Govt. of India generally for tenure of three years.

The terms and conditions of the services of the Functional Directors including that of the Chairman & Managing Director are decided by the Government of India.

3.3 Stakeholders Relationship Committee:

The Company has a "Stakeholders Relationship Committee" at the Board level to deal with various matters relating to redressal of grievances of the shareholders' including complaints related to transfer of shares, non- receipt of balance sheet, non-receipt of declared dividends. The Stakeholders Relationship Committee comprised three members viz, Dr. Sunil Kumar, AS, DOC, as Chairman (earlier Dr. Inder Jit Singh, AS, DOC was Chairman) and Shri Rajiv Chopra, Director (Marketing) with additional charge CMD and Shri S.K. Sharma ,Director(Personnel) as members.

During the year 2017-18,Two meetings of the Committee was held on 19.07.2017 & 21.03.2018.

The attendance details are as under:

Name of Member	No. of Meetings held during the tenure	No. of Meetings attended
Shri Inder Jit Singh, Additional Secretary, DoC Chairman (upto Meeting dated 19.07.2017)	1	1
Shri Sunil Kumar, Additional Secretary, DoC Chairman	1	1
Shri Rajiv Chopra, Director (Marketing) with additional charge CMD, Member	2	2
Shri S.K.Sharma, Director (Personnel), Member	2	2

3.3.1 Compliance Officer

Sl. No.	Name of Company Secretary & Compliance Officer	Remarks
1	Shri Pankaj Kumar	Appointed as Compliance Officer on 27.06.2018 & w.e.f. 23.07.2018, appointed as Company Secretary & Compliance Officer.
2	Ms. Kamlesh Kumari	Appointed as Company Secretary and Compliance Officer w.e.f. 04.01.2018. Resigned and relieved on 26.06.2018
3	Ms. Ritu Arora	Resigned and relieved on 03.01.2018

The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the management, stake holders and the regulatory.

3.3.2 Redressal of Investors' Grievances

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

Generally, no request for share transfer is pending beyond 30 days except those that are disputed or sub-judice. All requests for de-materialization of shares are likewise processed and confirmation communicated to investors and Depository Participants within 10 working days.

One complaint was outstanding at the beginning of the year. During the year, a total of 48 complaints/queries/correspondence were received and 48 were replied/attended to the satisfaction of the shareholders. There was one complaint pending as on 31st March, 2018

3.3.3 Settlement of Grievances

Investors may register their grievances in the manner stated below:

S. N.	Nature of Complaint	Contact Office	Action to be taken
1.	For Shares in Physical form —Change of address, status, Bank account, Mandate, ECS Mandate transfer/transmission of shares, bonus shares etc.	MCS Share Transfer Agents Ltd. F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 Tel. No. 91-11-41406149/50/51/52 Fax: 91-41709881 Website: www.mcsregistrars.com e-mail: admin@mcsregistrars.com	Letter on plain paper stating the nature of complaint, Folio No. , lodging of original shares and other documents/instruments as the case may be
2.	For Shares in Demat form —Change of address, status, Bank account, Mandate, ECS mandate etc.	Concerned Depository Participant (DP) where share holder is maintaining his/her account.	As per procedure prescribed by the DP.
3.	Dividend from Financial year 2010-11(Final) to 2012-13 (Final) and renewal of individual dividend warrants	Company Secretary, The State Trading Corporation of India Limited, Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-110001 Phone: 23703177 Email: cs@stclimited.co.in	Letter on plain paper stating the nature of complaint Folio No./ DPID, client ID ,and other documents/instruments as the case may be. Members are requested to apply for renewal of individual dividend warrants or issue of duplicate warrants for the dividend 2010-11 (Final) before 03.11.2018. The unpaid/unclaimed dividend amount for the year 2010-11 (final) will be transferred on or before 03.12.2018 by the Company to the Investor Education & Protection Fund (IEPF) setup by Govt. of India and no claim will lie neither against IEPF nor against the Company



3.4 CSR Committee of Directors

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

The Board has reconstituted the CSR Committee on 11.04.2017 comprising three Independent Directors and two executive directors viz. Shri Sunil Trivedi as Chairman, Shri Bharatsinh Parmar, Shri Arvind Gupta, Director (Personnel) and Director (Finance) as members.

During the year, one meeting of the CSR Committee was held on 10.08.2017. Shri Bharatsinh Parmar along with Director (Personnel & Finance) had attended the meeting.

3.5 Separate Meeting of Independent Directors

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

Two separate meetings of Independent Directors were held on 28.11.2017 and 20.03.2018 during 2017-18 at the registered office of the Company. In the meeting held on 28.11.2017 all the Independent Directors were present except Shri Bharatsinh Parmar and in the meeting held on 20.03.2018 all the independent directors except Shri Arvind Gupta were present.

3.6 The details of the familiarization programme of the Independent Directors are available on the website of the company:

The details regarding familiarization programme of Independent Directors are available on the website of the Company under Investor Desk and with the heading of 'Familiarisation Programme for Independent Directors' held during 2017-18.

4. CODE OF CONDUCT FOR MEMBERS OF THE BOARD AND SENIOR MANAGEMENT

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

All the Members of the Board and senior management have confirmed compliance with the Code of Conduct for the year under review. A declaration by Chairman & Managing Director is Annexed:

4.1 CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, the Board has approved the Code of Conduct for Prevention of Insider Trading in dealing with securities of STC. The objective of the Code is to prevent purchase and/or sale of shares of the company on the basis of unpublished price sensitive information. Under this Code, all Directors and employees as defined in the Policy are prohibited to deal in the Company's shares during the closing of Trading Window and other specified period(s). To deal in securities beyond specified limit, permission of Compliance Officer is required. All Directors and employees are required to disclose related information periodically as stipulated in the Code. The Code has been circulated to all Directors and Employees and has been hosted on the Company website.

4.2 CEO / CFO CERTIFICATION

In terms of Regulation 17(8) specified in Part B of schedule II Corporate Governance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the certification by the CEO /CFO on the financial statements and internal controls relating to financial reporting for the year 2017-18 was submitted to the Board on 28.05.2018 and is annexed to this Report.

5. SUBSIDIARY COMPANY:

The Company has one wholly owned unlisted subsidiary Company, STCL Limited. The said subsidiary is a Board managed company with its Board having the rights and obligations to manage the Company in the best interest of its stakeholders. The Directors on the Board are appointed by the President of India through Administrative Ministry, Ministry of Commerce and Industry. The composition of the Board as on 31.03.2018 is as follows:

- (i) Chairman, STC-Part time Chairman of the Board
- (ii) Director-FT (ST), Department of Commerce, Ministry of Commerce and Industry, Government of India-Part- time Official Director/Government Director
- (iii) Director(Personnel), STC-Managing Director
- (iv) GM (Finance), STC - Director

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

6. GENERAL BODY MEETINGS

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

Nature of Meeting	Financial year	Date & time
Annual General Meeting	2016-17	26.09.2017-3.00 P.M.
Annual General Meeting	2015-16	29.09.2016-3.00 P.M.
Annual General Meeting	2014-15	28.09.2015-3.00 P.M.

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

No Special Resolution had been passed at last three year's annual General Meeting.

No special resolution was passed through Postal Ballot during the financial year and no special resolution requiring Postal Ballot is being proposed at the ensuing Annual General Meeting.

7. DISCLOSURES

- Under Regulation 23 of SEBI Regulation, all related party transactions require approval of the Audit Committee. Further, all material Related Party Transactions shall require approval of the shareholders through special resolution. As per section 188 of the Companies Act, 2013, certain contract/ arrangement with related party requires approval of the Board of Directors. Further, if these transactions cross the limit prescribed under the Rules, the approval of Shareholder through special resolution is required. The Company has formulated a Policy on Materiality of Related Party Transactions and also on Dealing with Related Party Transactions.
- The RPT Policy is available at the web link http://www.stclimited.co.in/corporate-commitments/related_party_transactions-policy.aspx
- During the year, there were no transactions of material nature with the Directors or the Management or the subsidiary or relatives that had potential conflict of interest with the company.
- The details of "Related Party Disclosures" have been disclosed at serial no.46 in the Notes Forming Part of Accounts in the Annual Report.
- The applicable accounting standards have been followed in the preparation of financial statements along with proper explanation relating to material departures.
- No items of expenditure have been debited in the books of accounts, which are not for the purpose of business. No expenses, which are personal in nature, have been incurred for the Board of Directors and top management.
- There has been no instance of non-compliance by the Company on any matter related to capital markets, during the last three years. No penalties or strictures have been imposed by SEBI, the Stock Exchange or any Statutory Authority on the Company.
- The Company has complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



- Directors are nominated on training programmes organized by DPE&SCOPE from time to time.
- The Company does not have any shares in the demat suspense account or unclaimed suspense account.

8 MEANS OF COMMUNICATION

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

9. SHAREHOLDERS' INFORMATION

9.1 Forthcoming AGM –Date, Time and Venue

The Annual General Meeting for the Financial Year ending 31st March, 2018 is scheduled to be held on 26th September, 2018 at 4.00 PM at Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-110001.

9.2 Financial Year & Calendar:

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

Adoption of Quarterly results for the quarter ending	Last date for adoption of Financial Results
June 30, 2018	14 th August, 2018
September 30, 2018	14 th November, 2018
December 31, 2018	14 th February, 2019
March 31, 2019 (Audited)	30 th May, 2019

9.3 Book Closure Period:

The Register of Members shall remain closed from 19th September, 2018 to 26th September, 2018 (both days inclusive) for the purpose of Annual General Meeting and Dividend, If any.

9.4 Listing on Stock Exchanges

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

Name, address and contact details	Security Code	Type of Security
The Bombay Stock Exchange Limited(BSE) P.J .Towers, Dalal Street, Mumbai-400 001 Telephone: 022-22721233/4 Fax: 022-22723121/3719/2037/2039 E-mail: info@bseindia.com , Website: www.bseindia.com	512531	Equity
National Stock Exchange of India Limited (NSE) Exchange Plaza, PlotNo.1,G-Block, Bandra- Kurla Complex, Bandra (East), Mumbai-400 051. Telephone: 022-26598100-8114 Fax: 022-26598237/38 E-mail: cc_nse@nse.co.in , Website: www.nseindia.com	STCINDIA-EQ	Equity

9.5 Listing Fee

The Annual Listing Fee for the listed equity shares pertaining to the year 2018-19 has been paid to the concerned Stock Exchanges.

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

The Company has paid Annual Custody Fee to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year 2018-19 based on the Folio/ ISIN positions as on 31.03.2018.

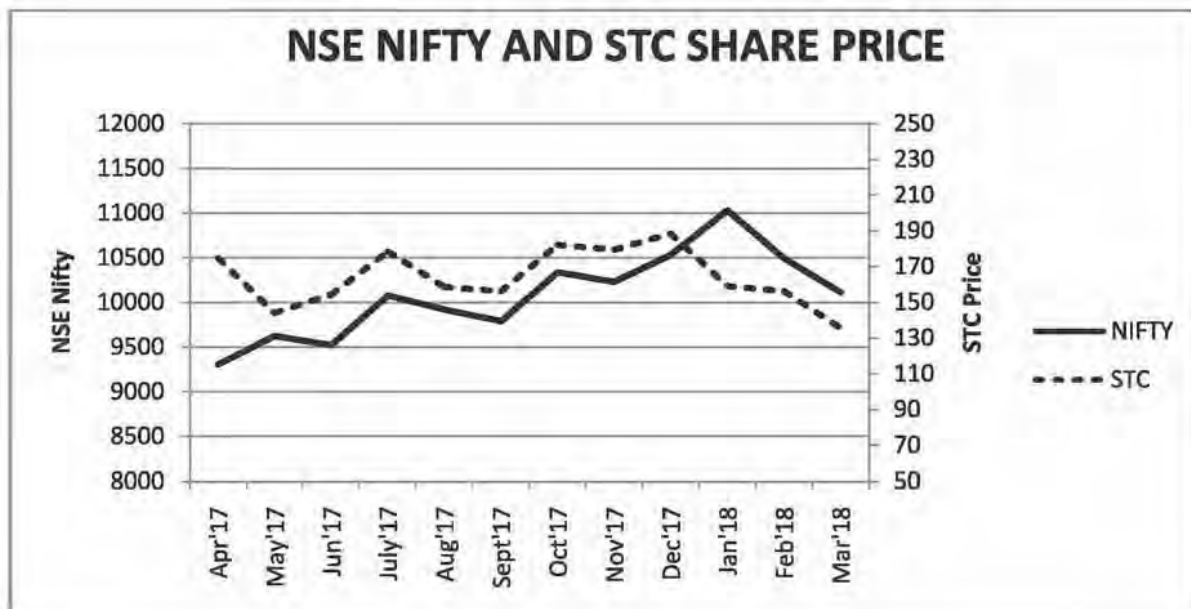
9.7 Stock Market Data: High/Low during each month in last financial year and with comparison with BSE Sensex and NSE Nifty

Month	National Stock Exchange				Bombay Stock Exchange				NIFTY	SENSEX
	High Price (in Rs.)	Low Price (in Rs.)	Closing Price (in Rs.)	Volume (in no. of shares)	High Price (in Rs.)	Low Price (in Rs.)	Closing Price (in Rs.)	Volume (in no. of shares)		
Apr-17	186.9	159.4	174.5	39,98,951	187	156	174.45	7,76,378	9304.05	29918.4
May-17	177.95	139.2	144.15	15,59,556	177.9	140.0	144.25	3,36,740	9621.25	31145.8
Jun-17	180.8	144.5	154.4	72,06,698	181.5	143.95	154.25	15,26,702	9520.9	30921.61
Jul-17	197.95	153.35	178.4	84,77,140	198	153.25	177.9	21,82,690	10077.1	32514.94
Aug-17	182	145.85	158.5	28,10,562	182.3	145.55	158.60	7,44,110	9917.9	31730.49
Sep-17	182.7	154	156.1	45,37,548	183	152.6	155.1	11,23,892	9788.6	31283.72
Oct-17	196.9	155.65	182.15	98,63,369	196.95	155.85	182.8	21,39,126	10335.3	33213.13
Nov-17	299	178	179.45	3,36,51,752	299	179	179.8	58,81,658	10226.55	33149.35
Dec-17	194	167	188.4	5,35,724	192.5	165.1	188.45	1,67,542	10530.7	34056.83
Jan-18	189.5	156	159	3,99,911	193	156.5	160.2	1,35,569	11027.7	35965.02
Feb-18	173.3	141.55	156.1	11,63,322	172.5	141.25	156.40	2,25,970	10492.85	34184.04
Mar-18	158.9	135	135.6	12,53,840	158	135	135.85	2,75,773	10113.7	32968.68

Source: Web-sites of BSE and NS

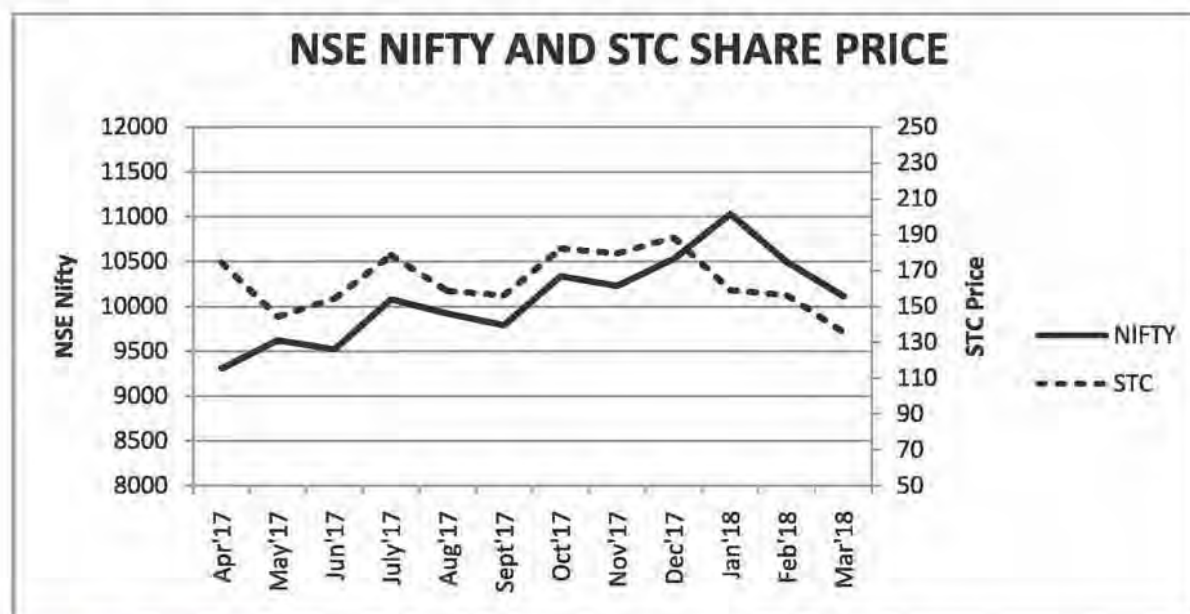
Performance of the share price of the Company in comparison to the NSE Nifty and BSE Sensex:

(i) NSE NIFTY and STC Share Price





(i) BSE Sensex and STC Share Price



9.8 Share Transfer System

MCS Share Transfer Agents Limited is the Registrar and Share Transfer Agent (RTA) for the physical shares and is the depository interface of the Company with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The shares of the company are traded compulsorily in dematerialized form. Shares received for transfer in physical form are normally processed within a period of 30 days from the date of lodgement of valid share transfer deed along with share certificate. A Share Transfer Committee comprising of three whole time Directors. Two Directors of the Share Transfer Committee of the Board and Company Secretary are empowered to approve the transfers. No transfer was pending as on 31.03.2018

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

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

Shareholding Pattern as on 31st March, 2018

Category	No. of Shareholders	No. of Shares held	Percentage of Shareholding
President of India(Government of India)	1	54000000	90.0000
Mutual Funds/UTI	4	12402	0.0206
Financial Institutions / Banks	2	5600	0.0093
Insurance Companies	4	1149320	1.9155
Foreign Institutional Investors	-	-	-
Bodies Corporate	584	666326	1.1105
Indian Public	28236	4025064	6.7084
Non Resident Indians	219	140288	0.2338
Trust	1	1000	0.0017
Total	29051	6,00,00,000	100.0000

9.9 Top 10 Shareholders as on 31st March, 2018

Name	No. of Shares held	% of total shares
President of India (Government of India)	5,40,00,000	90.0000
Life Insurance Corporation of India Limited	5,44,790	0.9080
The New India Assurance Company Limited	5,35,000	0.8917
Divakar Rao Rawala	45645	0.0760
The Oriental Insurance Company	40936	0.0682
Praveen Chand Nahar	33100	0.0551
National Insurance Company	28594	0.0476
Angel Broking Pvt Ltd	28180	0.0469
Edelweiss Custodial Services Ltd	27342	0.0455
Karvy Stock Broking Ltd	25000	0.0416

9.10 Distribution of Shareholding by Size as on 31st March, 2018

Category (No. of Shares)	Number of shares	% of Shareholding	Total number of Shareholders	% of Shareholders
1-500	2178460	3.6308	27460	94.5234
501-1000	742519	1.2375	934	3.2150
1001-2000	595771	0.9930	392	1.3494
2001-3000	283052	0.4718	112	0.3855
3001-4000	172638	0.2877	49	0.1687
4001-5000	169742	0.2829	36	0.1239
5001-10000	253594	0.4227	38	0.1308
10001-50000	524434	0.8741	27	0.0929
50001-100000	535000	0.8917	1	0.0034
100001 and above.	54544790	90.9080	2	0.0069
Total	6,00,00,000	100.0000	29051	100.0000

9.11 Corporate Benefits

Dividend History:

Year	Interim/Final	Rate (%)	Per Share (Rs.)	Amount (Rs. In lakh)
2010-11	Final	30	3.00	1800.00
2011-12	Final	20	2.00	1200.00
2012-13	Final	20	2.00	1200.00
2013-14		Nil		
2014-15		Nil		
2015-16		Nil		
2016-17		Nil		
2017-18		Nil		

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

In accordance with Section 124 of the Companies Act, 2013 requiring transfer of dividend remaining unclaimed and unpaid for a period of 7 years from the due date to the IEPF, during the year, amount of Rs.2,96,026.00 pertaining to unpaid/unclaimed final dividend for the year 2009-10 (Final) was transferred to the Investor Education and Protection Fund (IEPF) set up by the Central Government.

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The unpaid/unclaimed final dividend for the FY 2010-11 which is due for transfer to IEPF, should be claimed by the members before 03.11.2018 after which no claim shall lie against the Fund/Company in respect of said amount. The due dates of transfer of unpaid/ unclaimed dividend to IEPF for the different financial years are as under;

Sr.No.	Year	Type of Dividend	Dividend Rate (%)	Last date for claiming unpaid Dividend	Due date for transfer to IEPF
1.	2010-11	Final	30	03.11.2018	03.12.2018
2.	2011-12	Final	20	02.11.2019	02.12.2019
3.	2012-13	Final	20	31.10.2020	30.11.2020

Members, who have not yet encashed their dividend warrant, may approach the Registrars and Share Transfer Agents/ Company for issuance of demand draft upon completion of necessary formalities in this behalf in lieu of such warrant.

9.13 Dematerialization of Shares and Liquidity

Description	No. of Shareholders	Shares	% of Equity
CDSL	11621	55910631	93.18
NSDL	16506	4069227	6.78
PHYSICAL	924	20142	0.04
Total	29051	60000000	100.00

The shares of the company are available for trading in depository system of both National Securities Depository Limited and Central Depository Services (India) Limited. As on 31st March, 2018, 5,99,79,858 equity shares forming 99.96 % of the shareholding, stood dematerialized.

10. OUTSTANDING GDRs /ADRs /WARRANTS OR CONVERTIBLE INSTRUMENTS

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

11. ADDRESSES FOR SHAREHOLDERS' CORRESPONDENCE

These have been given at 3.3.3 above

12. RISK MANAGEMENT

A Risk Management Framework has been instituted to add further objectivity to the process of risk assessment while considering trade proposals. The Risk Management Framework measures the risk involved in a business proposal in the form of a total risk score which is weighed vis-à-vis available risk mitigation measures. An Enterprise level Risk Assessment system has also been put in place.

13. HEDGING

The Company does not take exposure in volatile commodities. Generally, it makes purchases only against confirmed orders backed by appropriate margin money.

Guidelines are in place requiring forward foreign exchange cover to be taken in respect of transactions involving STC funds.

14. WHISTLE BLOWER POLICY

SEBI Listing Regulations provides that a listed company shall establish a vigil mechanism for directors and employees to report concern about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. Also, in terms of Clause 8 of the DPE Guidelines on Corporate Governance for CPSEs issued in 2010, Company may establish a mechanism for employees to report to the management concerns of unethical behaviour etc. Accordingly, the Company has framed a Whistle Blower Policy with the approval of the Board and the same has been implemented w. e. f. 10th May, 2012.

A suitable mechanism has been put in place to protect the whistleblowers from any kind of harm or harassment.

15. COMPLIANCE CERTIFICATE FROM AUDITORS / Practicing Company Secretary

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

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

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

17. GUIDELINES ON CORPORATE GOVERNANCE BY DPE

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

18. SECRETARIAL AUDIT REPORT

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



CODE OF CONDUCT

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

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

Dear Sirs,

This is to certify that:

1. In pursuance of the Regulation 17(5) and Regulation 34(3) specified in Para D of Schedule V Annual Report of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Code of Conduct has been laid down by the Company for all the Board Members and the Senior Management Personnel of the Company.
2. The said Code of Conduct is also uploaded on the website of the Company at www.stclimited.co.in
3. All Board Members and Senior Management Personnel have affirmed having complied with the said Code of Conduct of board of directors and senior management, during the year ended 31st March, 2018.

Place: New Delhi
Date: 08.05.2018

Sd/-
(**Rajiv Chopra**)
Director (Marketing)
with Addl. Charge CMD

COMPLIANCE CERTIFICATE

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

To the Board of Directors of

The State Trading Corporation of India Ltd.

We, S.K. Singhal, General Manager (Finance) & CFO , B.R. Dhawan, Chief General Manager (Finance) and Rajiv Chopra, Director (Marketing) having additional Charge of Chairman & Managing Director certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended 31.03.2018 and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material factor contain statements that might be misleading;
 2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee that:
1. There has not been any significant change in internal control over financial reporting during the year under reference.
 2. There has not been significant changes in accounting policies during the year except those disclosed in the notes to the financial statements; and
 3. There has not been any instances during the year of significant fraud except to the extent disclosed in notes to the accounts, of which we had become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial report.

Sd/
(Rajiv Chopra)
Director (Marketing)
Additional Charge CMD

Sd/-
(B.R. Dhawan)
Chief General Manager
(Finance)

Sd/-
(S.K. Singhal)
General Manager
(Finance) & CFO

Place: New Delhi
Date 27.05.2018



COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

**The Members,
The State Trading Corporation of India Limited,
New Delhi**

We have examined the compliance of conditions of Corporate Governance by The State Trading Corporation of India Limited for the year ended 31st March, 2018, as stipulated in Regulations 17 to 27, 46(2) (b) to (i) and Para C, D and E of Schedule V of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 executed with the Stock Exchanges and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE), Government of India.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination has been limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said regulations and guidelines. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us and based on representations made by the Management, we certify that as on 31st March, 2018, the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, 46(2) (b) to (i) and Para C, D and E of Schedule V of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 executed by the Company with the Stock Exchanges and Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by DPE.

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

Sd/-
For Parveen Rastogi & Co.
Practicing Company Secretaries

Sd/-
(Parveen Rastogi)
Proprietor
COP No. 2883

Date: 07.05.2018

Place: New Delhi

**SECRETARIAL AUDIT REPORT
FOR THE YEAR ENDED AS ON 31st March, 2018**

The Members,
The State Trading Corporation of India Limited
Jawahar Vyapar Bhawan,
Tolstoy Marg,
New Delhi- 110 001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The State Trading Corporation of India Limited CIN: L74899DL1956GOI002674 (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering from 1st April, 2017 to 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period covering from 1st April, 2017 to 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under to the extent of regulation 55 A;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (e) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014; (Not applicable during the audit period)
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable during the audit period)
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of Securities issued;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable during the audit period)
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable during the audit period)
- (vi) As Confirmed and Certified by the management, following laws specifically applicable to the Company based on the Sectors/ Businesses.
 - 1) The Custom Act, 1962
 - 2) Reserve Bank of India Guidelines of Import of Gold by Nominated Banks
 - 3) Policy and Guidelines prescribed by Directorate General of Foreign Trade.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

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- (ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange and National Stock Exchange read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following observations;

Observation No.1

The company has not carried out the performance evaluation of its Board of Directors as required under Regulation 17 (10) and 25 (4) of SEBI (Listing Obligation & Disclosure Requirements) Regulation 2015 during the audit period.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

The company has been generally regular in filing of e-forms/ documents with the Regulatory Authorities under the Companies Act, 2013 and the rules made thereunder.

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

We further report that during the audit period no specific events/ actions were taken by the Company which has a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except the following:-

- (i) The Company has Announced to the BSE Limited and NSE of India Ltd, the stock exchanges under Regulation 30 of the SEBI (LODR) Regulations, 2015 that-
- a. Indian Bank and Union Bank of India have reported the company accounts as NPA as on 01.03.2018 due to Non payment of Interest on Bank borrowing. As a result, these banks may not sanction further loan to the company.
 - b. Indian Overseas Bank, Syndicate Bank and Exim Bank may report the accounts of STC as NPA due to delay/non-payment of interests to these banks, WCDL to Indian Overseas Bank and installment towards payment of WCTL.
- (ii) It has been reported to us that no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit except fraud of Rs. 4.12 Crore (principal amount) by a business associate in Kolkata.

For P. C. Jain & Co.
Company Secretaries
(FRN: P2016HR051300)

Sd/-

(P C Jain)

Managing Partner

CP No. 3349

Place: Faridabad

Date: 1st August, 2018

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

The Members,
The State Trading Corporation of India Limited
Jawahar Vyapar Bhawan,
Tolstoy Marg,
New Delhi-110 001

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have relied on the Statutory Auditors Report of M/s. P. Jain & Company, Chartered Accountants for the period under review; hence we have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For P. C. Jain & Co.
Company Secretaries
(FRN: P2016HR051300)

Sd/-
(P C Jain)
Partner
CP No. 3349

Place: Faridabad
Date: 1st August, 2018



Management's Replies to the Secretarial Auditor's Comments for the Financial Year 2017-18

Secretarial Auditor's Comments	Management's Replies
The Company has not carried out the performance evaluation of its Board of Directors as required under regulation 17(10) and 25(4) of SEBI (LODR) Regulation 2015 during audit period	Being a Govt. Company Directors of the Company are appointed/ nominated by Govt. of India and performance evaluation are carried out by Administrative Ministry

Sd/-
(Pankaj Kumar)
Company Secretary
ACS 15849

Date: 10th August, 2018
Place: New Delhi

Sd/-
(Rajiv Chopra)
Director (Marketing) with
Addl. Charge of CMD
DIN:06466326

HIGHLIGHTS: TEN YEARS AT A GLANCE

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
Operating Results										
Sales										
Exports	265.54	788.86	1,110.47	1,884.27	1,781.02	1,563.49	344.32	491.93	1,503.79	2,131.88
Imports	10,216.50	6,381.69	8,735.29	12,041.81	13,545.80	17,015.28	29,961.20	18,938.22	19,049.10	16,315.54
Domestic	343.00	581.61	633.40	471.13	47.16	119.73	138.78	554.69	955.76	1,338.42
Total	10,825.04	7,752.16	10,479.16	14,397.21	15,373.98	18,698.50	30,444.30	19,984.84	21,508.65	19,785.84
Profits										
Trading	26.06	35.03	33.11	101.64	182.84	118.53	89.73	177.87	144.55	113.06
Before tax	32.25	(148.37)	22.70	31.40	(492.38)	14.42	17.80	79.63	170.93	144.87
After tax	37.52	(165.54)	17.86	26.19	(492.20)	17.95	16.47	56.43	106.95	78.51
Overheads (Note 1)	130.74	134.66	134.61	131.76	159.87	134.04	126.29	145.52	131.73	149.31
Interest Outgo (Net)	(90.18)	(78.23)	(75.31)	(55.74)	(30.04)	(69.88)	(69.57)	18.43	(137.70)	(184.30)
Dividend	-	-	-	-	-	12.00	12.00	18.00	28.50	28.50
Net Worth										
Share Capital	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00
Reserves	870.81	831.25	996.79	978.92	37.73	529.93	621.98	619.46	583.94	510.29
Less : Revaluation Reserve	884.60	872.05	884.62	897.51						
Total	46.21	19.20	172.17	141.41	97.73	589.93	681.98	679.46	643.94	570.29
Bank Borrowings	1,769.59	1,657.08	1,439.44	1,304.14	1,287.80	1,505.39	2,030.32	1,549.09	2,467.85	2,377.32
Working Capital (Note 2)										
Inventories	0.25	39.70	0.42	5.50	0.97	43.50	543.71	1,313.75	567.01	1,463.74
Trade Receivables	2,220.89	2,112.49	2,640.98	2,425.25	1,968.44	2,289.11	3,454.85	4,507.94	6,610.96	5,558.53
Other (Net)	(2,165.03)	(1,988.23)	(2,477.75)	(2,108.23)	(1,841.76)	(2,111.53)	(3,826.51)	(3,718.43)	(4,197.57)	(4,176.51)
Total	56.11	163.96	163.65	322.52	127.65	221.08	172.05	2,103.26	2,980.40	2,845.76
Capital Employed	930.81	891.25	1,056.78	1,038.71	97.42	589.62	681.67	676.43	640.91	567.25
Significant Ratios										
Trading Profit : Sales (%)	0.24	0.45	0.32	0.71	1.19	0.63	0.29	0.89	0.67	0.57
Profit Before Tax : Sales (%)	0.30	(1.91)	0.22	0.22	(3.20)	0.08	0.06	0.40	0.79	0.73
Profit Before Tax : Networth (%)	69.79	(772.76)	13.18	22.20	(503.82)	2.44	2.61	11.72	26.54	25.40
Sales : Capital Employed (Times)	11.63	8.70	9.92	13.86	157.81	31.71	44.66	29.54	33.56	34.88
Inventories : Sales (%)	0.00	0.51	0.00	0.04	0.01	0.23	1.79	6.57	2.64	7.40
Trade Receivables : Sales (%)	20.52	27.25	25.20	16.85	12.80	12.24	11.35	22.56	30.74	28.09
Overheads : Sales (%)	1.21	1.74	1.28	0.92	1.04	0.72	0.41	0.73	0.61	0.75
Note 1 : Overheads excludes Rent related expenditure from 2011-12 onwards										
Note 2 : Excludes Non Current Items from 2011-12 onwards										
Note 3 : Figures of 2017-18 are as per Ind-AS.										



STANDALONE FINANCIAL RESULTS
2017-18

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying standalone Ind AS financial statements of **THE STATE TRADING CORPORATION OF INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the returns for the year ended on that date audited by the branch auditors of Company's eight branches at Ahmedabad, Bangalore, Bhopal, Chennai, Cochin, Hyderabad, Kolkata and Mumbai.

Management's Responsibility for the Standalone Ind AS financial statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial control relevant to the Company's preparation of the Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Basis for Qualified Opinion

- (i) Reference is invited to Note no. 9.5 and 26.1, Trade receivable includes ₹2076.70 crore (previous year ₹1904.24 crores) and other income includes interest of ₹259.47 crore (previous year ₹231.93) booked during the current year on over dues from one of the business associates on account of goods supplied in earlier years. The dues are stated to be secured by EMD of ₹29.73 crore and personal guarantee of chairman of its holding company. Consequent upon Conciliation Agreement dated 15.11.2011 and further settlement agreement dated 17.05.2012 the entire dues were payable to the company by 10.11.2012. During the year, the Business Associate remitted an amount of ₹100 crore (previous year ₹70.18 crore) on the directions of Hon'ble Supreme Court. Considering the poor recovery, non-availability of security, dispute by party with respect to interest charged, and age of outstanding dues, interest income should not be recognized as per concept of prudence.

Considering the overall circumstances surrounding the recoverability of outstanding dues of ₹2076.70 crores, we are not in a position to ascertain whether the amount is fully recoverable or not. We are informed by the management that petition for execution of decree as per Conciliation Agreements under the Arbitration and Conciliation Act, 1996 has been filed



before the Hon'ble Supreme Court wherein it has been held that decree is final. The party has submitted payment proposal before the Hon'ble Apex Court which is still subjudice before the Hon'ble Apex Court. Cases U/s 138 of Negotiable Instruments Act are also filed by the company before the Hon'ble High Court Delhi. The Enforcement Directorate and CBI are also investigating into the matter about cheating and fraud done by the party. We have also been provided affirmative Board Resolution dt. 14.02.2017 and outcome dt. 30.05.2017 that all possible efforts are extended for recovery of the dues through legal process and company is assured of recovering the dues.

- (ii) With respect to contingent assets disclosed, the management has not provided any substantive evidence in support of probability of recovery, hence we are not in a position to form an opinion thereon.
- (iii) Reference is invited to Note 4.1, the company has not made provision of ₹132.83 crores being the amount payable to L&DO for execution of lease deed of company's one of the property, hence to that extent provision for impairment of fixed assets is short made.
- (iv) Reference is invited to Note no. 9.16 as regard provision of ₹3.58 crore made against ₹10.53 crore recoverable from one of the business associate, the management has considered ₹6.13 crore towards value of immovable property provided as security. Since the company is not able to sale the property inspite of various auctions, hence in our opinion till realization of such security, its value should not be considered for ascertainment of provision for doubtful debts. Had the company made the provision of said amount, net profit of current year would have been lower by ₹5.77 crore, retained earning and trade receivable (current assets) would have been lower by ₹5.77 crore.
- (v) Mumbai branch auditor has reported that debit balances appearing in Bhopal branch pertaining to security deposit and loans & advances of ₹0.19 crore has not been written off pending approval from competent authority. Had the company written off these balances, net profit of current year would have been lower by ₹0.19 crore, retained earning and deposits and loans & advances would have been lower by ₹0.19 crore.

The cumulative effect of above observations (i), (iii), (iv) & (v) is that net profit of current year would have been net loss of ₹357.59 crore, retained earning and assets would be lower by ₹398.26 crore and ₹265.43 crore respectively and claims payable would have been higher by ₹132.83 crore.

Emphasis of Matters

We draw attention to the following matters in the Notes to the standalone Ind AS financial statements:

- a) Reference is invited to Note no. 20.2 & 20.5, the bank accounts of the company are classified as non performing asset by all the financing banks due to non payment of dues by the company. The company has prepared the accounts on going concern basis considering the various actions being taken by the management under the supervision of the administrative ministry.
- b) Reference is invited to Note no. 38.3, regarding contingent liability of ₹83.32 crore payable to foreign supplier as per arbitral award, the company has filed an appeal against the arbitration award in the Hon'ble Delhi High Court and Company deposited ₹33.05 crore with court as per direction of Delhi High Court. Court proceedings are completed and Court judgement is reserved. The transaction was undertaken on behalf of Department of Fertilizer (DOF) and is being regularly followed up. Hence, no provision is considered necessary.
- c) Reference is invited to Note no. 38.4, regarding contingent liability of ₹90.73 crore along with interest payable to a foreign supplier on account of import of Pulses in earlier years as per majority arbitration award passed in favour of foreign supplier. The company has filed an appeal against the majority arbitration award in the Hon'ble Delhi High Court. This transaction was undertaken on behalf of Ministry of Consumer Affairs (MOCA), which is being regularly followed -up. In view of above, no provision is considered necessary.
- d) Reference is invited to Note no.14.2 regarding trade advance of ₹87.39 crore recoverable from one of parties against which the company has initiated legal actions including criminal proceedings. Pending outcome of legal steps initiated for recovery, full provision of ₹87.39 crore was made in earlier year. However, the company was successful in getting arbitration award of ₹110.00 crore in its favour along with 12% interest per annum from 1st May 2006 till realization of award which has been objected by the party and hearing is pending before Hon'ble High Court, New Delhi.
- e) Reference is invited to Note no. 11.4 regarding Non Current Claim Recoverable under other financial assets ₹3.92 crore recoverable from one of the business associate and counter claim against company for an amount of ₹39.41 crore (₹39.41 crore) by an associate. Legal proceedings are going on, As per the legal opinion obtained the ultimate outcome of the case may be in favour of company. Hence no provision and liability has been recognized in this respect.

- f) Reference is invited to Note no. 22.2 regarding claim of ₹80.03 crore towards property tax dues raised by NDMC, New Delhi on the company. The company has made the part payment of ₹20 crore pending the review of assessment by NDMC and judgment of appeals filed there against in Hon'ble Patiala District Court New Delhi.
- g) Reference is invited to Note no. 9.6, regarding non current trade receivable ₹568.44 crore on account of export of pharma products to foreign buyers on back to back basis. As there is default in the payment against export bills by the buyers which have ultimately gone into liquidation, litigation process have been initiated by the Company as well as by Indian Associates and their bankers. A claim of ₹527.86 crore has been admitted by the liquidator and decree for ₹62.47 crore by Hon'ble High Court Mumbai. There is however corresponding credit balance of ₹568.44 crore under trade payables. Management does not anticipate any liability on this account.
- h) Reference is invited to Note no.9.9, regarding non current trade receivable of ₹787.65 crore under the Credit Linked Insurance Scheme (CLIS) for export of gold jewellery etc. against which corresponding credit balance of ₹342.19 crore are available, leaving net receivable of ₹445.46 crore. Actions against the Business Associate have been initiated. The matter is being pursued legally and company is hopeful of recovery. As a measure of abundant caution, full provision of ₹445.46 crore being net receivable, has been made in earlier year.
- i) Reference is invited to Note no. 9.7, regarding non current trade receivables of ₹9.83 crore (net of provision for diminution in value of stock) recoverable from one of the business associates for goods sold in earlier years. The overdue is secured by pledge of stocks in favour of STC. Upon non-payment of overdue receivables, legal actions have been initiated against the business associate u/s 138 of Negotiable Instruments Act, 1881 and civil hearings are in progress. Another PSU company MSTC had made a claim in respect of ownership of some of the pledged stock sold by the STC to business associate. The case is pending at Hon'ble Mumbai High Court.
- j) Reference is invited to Note no.9.10, regarding other trade receivables of ₹41.92 crore on account of export of agro commodities to foreign buyers through Indian business associates against which credit balance of ₹41.92 crore is available under trade payable. The foreign buyer defaulted in making payment and upon non-receipt of the dues from business associate, the Company has initiated necessary legal steps against business associates for recovery. Considering the legal enforceability of the agreement and corresponding credit of ₹41.92 crore, no provision is considered necessary.
- k) Reference is invited to Note no.11.3, regarding claim recoverable of ₹5.48 crore from one of the business associate on account of quality variations in material supplied. Considering the current status, no provision is considered necessary by the company.
- l) Reference is invited to Note no.9.2, regarding current trade receivables of ₹89.75 Crore which is overdue on account of pending reconciliation issues/performance guarantee. No provision has been considered necessary by the company since the outstanding amount is secured by corresponding credit balance available in sundry creditors.
- m) Reference is invited to Note no. 9.11, regarding non current trade receivable of ₹10.21 crore recoverable from MARKFED, Govt. of Maharashtra (GOM) towards supply of RBD Palmolien under PDS Scheme during the years 2010-11 and 2011-12, pending for final reconciliation at their end. Matter is being constantly taken up with MARKFED, Govt. of Maharashtra for recovery. As a matter of prudence, full provision of ₹10.21 crore has been made during the previous year 2016-17.
- n) The credit of input tax payable to recipient of common maintenance services provided by the company at its Delhi office is not determined and transferred to recipients as required by Section 171 of Delhi GST Act, 2017 and CGST Act, 2017.
- o) Reference is invited to Note no. 9.3, regarding non current trade receivable of ₹122.95 crore from one of the business associate for goods sold in the earlier years which is overdue. STC has filed complaint for commission of offences under section 405, 406, 409, 415 & 420 read with sec. 107, 120-B, 34 of Indian Penal Code in the court of Judicial Magistrate (First Class) against the associate. As a matter of prudence, full provision for ₹122.95 crore had been made in previous year.
- p) Reference is invited to Note no. 51 & 52 relating to pending reconciliation/confirmation of balances in parties accounts, claims recoverable, advances and current and other liabilities and consequential adjustment that may arise on reconciliation.
- q) Reference is invited to Note no. 9.8 regarding non current trade receivables of ₹17.28 crore recoverable from one of the business associates for goods sold in earlier years. Criminal complaints u/s 138 of Negotiable Instruments Act, 1881 and contempt application filed before Hon'ble High Court, New Delhi are under progress against the business associate. As a matter of prudence, provision for full amount of ₹17.28 crore had been made in previous year.

Our opinion is not modified in respect of these matters.



Qualified Opinion

In our opinion and to the best of our information, according to the explanations given to us and except for the matters described in the Basis for Qualified Opinion paragraph referred above, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

We did not audit the Ind AS financial statements/information of eight branches included in the standalone Ind AS financial statements of the Company whose Ind AS financial statements/financial information reflect total assets of ₹1247.91 crore as at 31st March, 2018 and total revenues of ₹7741.43 crore for the year ended on that date, as considered in the standalone Ind AS financial statements. The Ind AS financial statements/information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors and management replies to the observations of the branch auditors.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our observations, reports received from branch auditors in respect of branches not visited by us, and explanations received from management, we give in the Annexure 'A' statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except certain records/information at Mumbai branch, Chennai branch, and balance confirmation of parties as mentioned in para no. (p) above under Emphasis of Matters.
 - (b) Except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us except the system of maintaining stock records by branch with respect to goods kept with third party needs to be further strengthened.
 - (c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by the branch auditors have been sent to us alongwith management replies to the observations of the branch auditors and have been properly dealt with by us in preparing this report.
 - (d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.
 - (e) Except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
 - (f) The matters described in the Basis of Qualified Opinion paragraph above, in our opinion may have an adverse effect on functioning of the company
 - (g) Being a Government Company, section 164(2) of Companies Act, 2013 regarding whether any director is disqualified from being appointed as a director is not applicable to the Company in view of notification no. G.S.R.463 (E) dt. 05.06.2015.
 - (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B', and
 - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements as referred to in Note No. 38, 38.1, 38.2, 38.3 & 38.4 to the Standalone Ind AS financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. As required by C&AG of India through directions issued under Section 143(5) of the Act, we give a report in the attached Annexure 'C'.

For P. Jain & Company
Chartered Accountants
Firm Regn. No.000711C

(Pankaj Jain)
Partner
M. No. 097279

Place : New Delhi
Date : 28.05.2018



ANNEXURE 'A' TO INDEPENDENT AUDITOR'S REPORT

Re: The State Trading Corporation of India Limited

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except that absence of proper tagging at Mumbai Branch,
 (b) The fixed assets were physically verified by the management during the year. We have been informed that no material discrepancies were noticed on such physical verification wherever done, except at Mumbai, Agra and Jalandhar branch where the management is in process of reconciling the discrepancies noticed on such physical verification.
 (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except for immovable properties referred to in Annexure- E whose title deeds are not held in the company's name.
2. As explained to us, verification of inventories undertaken by the Company through surveyor from time to time. In respect of the goods in the custody of third parties, certificate is obtained from the Clearing & Handling Agents or the warehousing corporation or from the concerned parties.
3. As informed to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, clauses (iii)(a), (b) & (c) of paragraph 3 of the Order are not applicable to the Company.
4. According to the information and explanations given to us, the Company has not given any loans, or made any investments or provided any guarantees or security to the parties covered under sections 185 and 186 of the Act. Accordingly, paragraph 3 (iv) of the Order is not applicable to the Company.
5. The Company has not accepted any deposits from the public during the year and consequently, the directives issued by Reserve Bank of India, the provisions of sections 73 to 76 of the Act and rules framed there under are not applicable to the Company. However certain old amount are outstanding in advances from customers/credit balance in customer account which as explained to us is immaterial and is subject to reconciliation and adjustment, if any.
6. As informed by the management, the Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act for the Company.
7. (a) According to the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, goods and service tax (GST), service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have been generally regularly deposited with the appropriate authorities. There were no undisputed amounts payables in respect of the aforesaid dues which were outstanding as at 31st March, 2018 for a period of over six months from the date they became payable except ₹0.01 crore professional tax payable at Mumbai branch.
 (b) According to the information and explanations given to us, there are following disputed statutory dues aggregating ₹2.56 crore on account of Income tax, ₹767.15 crore on account of Sales tax/VAT, ₹50.73 crore on account of Service tax and ₹0.06 crore under BPDRA which have not been deposited.

Name of the statute	Nature of dues	Amount (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
Income Tax				
Income Tax Act	Income Tax	1.73	2008-09	DCIT, Delhi
Income Tax Act	Penalty	0.83	2010-11	CIT Appeal, Delhi
Sales Tax				
TNGST/AST/CST (Chennai Branch)	Sales Tax (incl. penalty)	0.83	1974-75, 1975-76, 1985-86 to 1987-88, 1989-90 & 1991-92	Hon'ble Madras High Court
Central Sales Tax Act (Chennai Branch)	Central Sales Tax	0.01	1987-88	Appellate Tribunal

Name of the statute	Nature of dues	Amount (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
Custom Act (Chennai Branch)	Custom Duty	4.16	2017-18	SLP to be filed in Supreme Court
Central Sales Tax Act (Bengaluru Branch)	Central Sales Tax, Interest & Penalty	0.08	2014-15	Asstt. Commissioner Commercial Tax
Bihar Sales Tax Act (Kolkata Branch)	Sales Tax	0.01	1989-90	Sales Tax Appellate Tribunal
Orrisa Sales Tax Act (Kolkata Branch)	Sales Tax	0.01	1988-89	Commissioner (Appeals), Orrissa
Central Sales Tax Act (Kolkata Branch)	Central Sales Tax	0.02	1993-94 to 1995-96	Hon'ble Assam High Court
Central Sales Tax Act (Kolkata Branch)	Central Sales Tax	0.23	2003-04	Joint Commissioner, Sales Tax
West Bengal Vat Act/ Central Sales Tax Act (Kolkata Branch)	Vat & CST	0.02	2011-12	Joint Commissioner, Commercial Tax
Maharashtra Sales Tax Act (Mumbai Branch)	BST (Sales Tax)	0.69	1992-93 & 1996-97	Maharashtra Sales Tax Tribunal
Maharashtra Sales Tax Act (Mumbai Branch)	BST & CST	46.88	1993-94, 2000-01 & 2003-04	Joint Commissioner, Sales Tax
Maharashtra Sales Tax Act (Mumbai Branch)	BST, CST & MVAT	*391.06	2004-05, 2006-07, 2009-10 & 2011-12	Joint Commissioner, Sales Tax
Maharashtra Sales Tax Act (Mumbai Branch)	CST & WCT	*290.52	2008-09 & 2012-13	Deputy Commissioner, Sales Tax
Maharashtra Sales Tax Act (Mumbai Branch)	MVAT	**32.63	2006-07	Joint Commissioner, Sales Tax

* a stay order has been received against the amount disputed.

** the matter is reminded back to the nodal office in charge for fresh assessment

Name of the statute	Nature of dues	Amount (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
Service Tax				
Finance Act, 1994 (Kolkata Branch)	Service Tax	7.29	2005-06 & 2006-07	CESTAT
Finance Act, 1994	Service Tax	7.96	2007-08 to 2013-14	Commissioner Service Tax
Finance Act, 1994	Service Tax	3.54	2014-15	Principal Commissioner Service Tax
Finance Act, 1994 (Mumbai Branch)	Service Tax	*16.54	01.10.2004 to 31.03.2011	Service Tax Appellate Tribunal Mumbai
Finance Act, 1994 (Mumbai Branch)	Service Tax	*0.13	01.04.2011 to 31.03.2012	Service Tax Appellate Authority Mumbai
Finance Act, 1994 (Mumbai Branch)	Service Tax	**14.03	01.04.2012 to 31.03.2015	Service Tax Assessing Authority Mumbai
Finance Act, 1994 (Mumbai Branch)	Service Tax	**1.24	01.04.2015 to 30.06.2017	Joint Commissioner of CGST & Central Excise Mumbai
Certificate Dues Liability				
BPDRA	Certificate Dues Liability	0.06	1971-72 & 1976-77 to 1978-79	Concerned Department

* Appeal rejected and branch has contested / in process of contesting the order

** Show cause notice received

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8. In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of loans or borrowing to banks as mentioned below. The Company does not have any loans or borrowing from any financial institution or government or dues to debenture holders during the year

Name of the bank/ financial institution	Amount of instalment/ interest due (₹ In Crore)	Due date	Date of payment	Delay (days)
Exim Bank (Instalment)	5.00	03.10.2017	23.10.2017	20
Exim Bank (Instalment)	5.00	01.01.2018	Not paid	-
Exim Bank (Interest)	1.25	03.10.2017	10.10.2017	7
Exim Bank (Interest)	1.27	04.12.2017	Not paid	-
Exim Bank (Interest)	1.08	01.01.2018	Not paid	-
Exim Bank (Interest)	1.21	01.02.2018	Not paid	-
Exim Bank (Interest)	1.10	01.03.2018	Not paid	-
Exim Bank (Interest)	1.24	03.04.2018	Not paid	-
Exim Bank (Interest)	0.11	Various dates as referred above	Not paid	-
Bank of Baroda	56.26	Invocation of BG	Not paid	-
Syndicate Bank	25.41	Working capital loans	Not paid	-
Indian Overseas Bank	215.95	Working capital loans	Not paid	-
Union Bank of India	308.19	Working capital loans	Not paid	-
Indian Bank	10.12	Working capital loans	Not paid	-

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments).
10. According to the information and explanations given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit except fraud of ₹5.63 crore by a business associate in Kolkata.
11. In our opinion and according to the information and explanations given to us, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are generally in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.
16. The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934

For P. Jain & Company
Chartered Accountants
Firm Regn. No.000711C

(Pankaj Jain)
Partner
M. No. 097279

Place : New Delhi
Date : 28.05.2018

ANNEXURE-'B' TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **The State Trading Corporation of India Limited** ("the Company") as on 31st March, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

Basis for Qualified Opinion

- (i) Following design gap are noticed in IFCFR such as lawyer's certificate not taken in litigation cases, monitoring and record keeping of pledged/owned inventory not maintained, ageing analysis and reconciliation with vendors not reviewed, manual calculations for leaves, no HR Software, insurance of goods, IT policy not documented, disaster management



plan not documented, no data backup for divisions other than corporate accounts, data backup of accounting records not maintained for branches, maker checker mechanism not in place for sales invoicing, fixed assets tag numbers not maintained in fixed assets register, the risk control matrix neither been reviewed nor updated, huge gap in time lines fixed by the corporate account and actual reporting of financials by the divisions and branches etc.

- (ii) With respect to Mumbai branch of the Company, the branch auditor has reported certain material weaknesses in internal financial control over financial reporting such as inadequate- IT & general controls, internal control system with regards to pledged inventory including maintenance of adequate records and physical verification, customer acceptance, credit evaluation and establishing customer credit limit, internal audit coverage, large financial exposure in litigated matters & pending statutory litigation involving tax demands, financial reporting system, compliance with statutory dues, maintenance of case wise legal expenses register, maintenance of fixed asset register, non availability of required information and documents in respect of old outstanding, security deposit, EMD, advances and other deposit received and paid.
- (iii) Reference is invited to Note no. 51 & 52 relating to pending reconciliation/ confirmation of balances in parties accounts, claims recoverable, advances and current and other liabilities and consequential adjustment that may arise on reconciliation.

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

Qualified Opinion

In our opinion, the Company has, except for effects of the material weaknesses described above on achievement of the objectives of the control criteria, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to eight branches at Ahmedabad, Bangalore, Bhopal, Chennai, Cochin, Hyderabad, Kolkata and Mumbai is based on the corresponding reports of the auditors of such branches and management replies to the observations of the branch auditors.

For P. Jain & Company
Chartered Accountants
Firm Regn. No.000711C

Place : New Delhi
Date : 28.05.2018

(Pankaj Jain)
Partner
M. No. 097279

ANNEXURE-'C' TO THE INDEPENDENT AUDITORS' REPORT

Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of **The State Trading Corporation of India Limited** (Standalone) for the year 2017-18 issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013.

S.No.	Area Examined	Observation/Finding
1	Whether the company has clear title/lease deeds for freehold and leasehold land for which title/lease deeds are not available.	Refer Annexure 'D' below.
2	Whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons there for and amount involved.	₹0.22 crore written off as these were old cases, remote possibility of recovery, necessary approval have been taken from the competent authority.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant from the Government or other authorities.	As reported by Mumbai branch auditor, no stock records are maintained by the branch for stock lying with third party. Records are maintained at the godown by the custodian.

Annexure 'D'

S.No.	Location of Property	Property Description	Document Found	Area
1	New Delhi	Land & Building at Jawahar Vyapar Bhawan, Tolstoy Marg (Office Building)	Agreement for lease	2.559 Acre
2	New Delhi	STC /MMTC Housing Colony, Aurbindo Marg	Agreement (true copy)	Not yet bifurcated between STC, MMTC & HHEC
3	Mumbai	6 no. flats at Sai Darshan Apartment, Santacruz (W)	Confirmation Deed	3984 Sq. ft.
4	New Delhi	8 no. flats at AGVC Complex	Execution of Lease Deed pending	14424 Sq. ft.
5	Mumbai	Flat-13, Las Palmas, Malbar Hill	Share certificate in name of the Company but original agreement not available	2311 Sq. ft.
6	Mumbai	2 Flats- 1001 & 1103, Wallace Apt., Grant Road	Share certificate in name of the Company but original agreement not available as informed branch is in process of executing title deed	2560 Sq. ft.
7	Mumbai	Flat-7, Shyam Sadan, Khar	Share certificate in name of the Company but original agreement not available	750 Sq. ft.
8	Mumbai	3 Flats-5A, 9A and 10B, Mandar Apartments, Ville Parle (E)	Share certificate in name of the Company but original agreement not available	2350 Sq. ft.



Annexure 'E' to the Independent Auditors' Report
Title deeds of properties not held in the name of the Company

S.No.	Location of Property	Property Description	Audit Observation	Area	Gross Block after revaluation (₹ in crore)
1	New Delhi	Land & Building at Jawahar Vyapar Bhawan, Tolstoy Marg (Office Building)	Execution of lease deed and process of issuance of sub divided lease deeds in the name of company and its co-owners pending.	2.559 Acre	581.93
2	New Delhi	STC /MMTC Housing Colony, Aurobindo Marg	Execution of lease deed and process of issuance of sub divided lease deeds in the name of company and its co-owners pending.	Not yet bifurcated between STC, MMTC & HHEC	132.36
3	New Delhi	8 no. flats at AGVC Complex	Execution of Lease Deed pending.	14424 Sq. ft.	28.42
4	Mumbai	6 no. flats at Sai Darshan Apartment, Santacruz (W)	Registration of conveyance deeds pending	3984 Sq. ft.	33.19
5	Mumbai	Flat-13, Las Palmas, Malbar Hill	Share certificate in name of the Company but original agreement not available	2311 Sq. ft.	15.97
6	Mumbai	2 Flats- 1001 & 1103, Wallace Apt., Grant Road	Share certificate in name of the Company but original agreement not available	2560 Sq. ft.	10.06
7	Mumbai	Flat-7, Shyam Sadan, Khar	Share certificate in name of the Company but original agreement not available	750 Sq. ft.	2.21
8	Mumbai	3 Flats-5A, 9A and 10B, Mandar Apartments, Ville Parle (E)	Share certificate in name of the Company but original agreement not available	2350 Sq. ft.	4.94
9	Jalandhar	4 Warehouses & open area at kapurthala road Jalandhar.	Title deed available at branch, as confirmed by branch manager through email.	77594 sq ft	
10	Mumbai	Flat- 11, India house, Tagore Road Santa Cruz, Mumbai	Agreement for leave & licence in favour of STC	450 sqft	

BALANCE SHEET AS AT MARCH 31, 2018

(Amount in ₹ Crore)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	4	601.89	617.19	635.26
(b) Capital work-in-progress	5	2.10	0.98	0.48
(c) Investment property	6	312.50	313.02	309.19
(d) Other intangible assets	7	0.10	0.02	0.03
(e) Financial Assets :				
(i) Investments	8	0.01	0.01	0.01
(ii) Trade receivables	9	964.55	980.63	1,068.82
(iv) Loans	10	9.76	11.44	16.14
(v) Other Financial Assets	11	53.03	19.58	21.07
(f) Deferred tax assets (net)	12	73.67	77.02	77.83
(g) Tax Assets (Net)	13	-	-	-
(h) Other non-current assets	14	9.33	13.88	12.06
Sub total		2,026.94	2,033.77	2,140.89
Current Assets				
(a) Inventories	15	0.25	39.71	0.42
(b) Financial Assets :				
(i) Investments	8	-	-	-
(ii) Trade receivables	9	2,220.89	2,112.49	2,639.15
(iii) Cash & cash equivalents	16	98.79	6.94	8.65
(iv) Bank Balances other than (iii) above	17	2.35	2.16	0.94
(v) Loans	10	4.93	3.87	2.65
(vi) Other Financial Assets	11	48.59	29.65	15.18
(c) Tax Assets (Net)	13	10.02	19.67	31.85
(d) Other Current Assets	14	25.44	34.88	8.12
Sub total		2,411.26	2,249.37	2,706.96
Total Assets		4,438.20	4,283.14	4,847.85
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	18	60.00	60.00	60.00
(b) Other Equity	19	870.81	830.15	993.79
Sub total		930.81	890.15	1,053.79
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	20	-	146.28	-
(ii) Trade payables	21	993.29	992.64	1,015.33
(iii) Other Financial Liabilities	22	52.38	53.76	51.83
(b) Provisions	23	105.34	108.15	103.71
(c) Deferred tax liabilities (Net)	12	-	-	-
(d) Tax Liabilities (Net)	13	-	-	-
(e) Other non-current liabilities	24	1.23	1.92	2.30
Sub total		1,152.24	1,302.75	1,173.17
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	20	1,596.69	1,500.83	1,615.71
(ii) Trade payables	21	215.34	173.95	646.43
(iii) Other Financial Liabilities	22	424.74	289.49	295.64
(b) Provisions	23	31.81	20.06	15.94
(c) Tax Liabilities (Net)	13	-	-	-
(d) Other current liabilities	24	86.57	105.91	47.17
Sub total		2,355.15	2,090.24	2,620.89
Total Equity and Liabilities		4,438.20	4,283.14	4,847.85

Significant Accounting Policies and the accompanying notes 1 to 55 form an integral part of accounts.

As per our report of even date attached

For P. JAIN & COMPANY
Chartered Accountants
Firm Reg. No. 000711C

Sd/-
(RAJIV CHOPRA)
Director (Marketing) with
additional charge of CMD
DIN -06466326

Sd/-
(S.K. SINGHAL)
GM-F & CFO

Sd/-
(PANKAJ JAIN)
Partner
M. No. 097279
Place: New Delhi
Dated: 28.05.2018

Sd/-
B R DHAWAN
CGM-Finance

Sd/-
(KAMLESH KUMARI)
Company Secretary
ACS -24616

THE STATE TRADING CORPORATION OF INDIA LIMITED

ANNUAL REPORT 2017-18



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Amount in ₹ Crore)

Particulars	Note No.	Year Ended March 31, 2018	Year Ended March 31, 2017
Income			
i) Revenue from Operations	25	10,865.71	7,814.49
ii) Other Income	26	303.43	272.87
Total Income		11,169.14	8,087.36
Expenses			
i) Cost of materials consumed	27	0.01	0.04
ii) Purchases of Stock in trade	28	10,797.50	7,815.55
iii) Change in Inventory	29	39.44	(39.25)
iv) Employees' Benefit Expenses	30	106.90	106.99
v) Finance Cost	31	178.68	159.28
vi) Depreciation & Amortization Expenses	32	16.02	15.94
vii) Other Expenses	33	27.57	34.76
Total expenses		11,166.12	8,093.31
Profit before exceptional items and tax		3.02	(5.95)
Exceptional Items -Expense/(Income)	34	(29.23)	143.86
Profit Before Tax		32.25	(149.81)
Tax expense	35		
(i) Current tax		(5.27)	16.01
(ii) Deferred tax		-	-
Profit for the Year from continuing operations		37.52	(165.82)
Profit/(loss) from discontinued operations			
Tax expense of discontinued operations			
Profit from discontinued operations after tax		-	-
I Profit for the Year		37.52	(165.82)
II Other Comprehensive Income			
i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans		4.82	3.34
Less: Income Tax on Above		1.67	1.16
ii) Items that will be reclassified to profit or loss			
Other Comprehensive Income		3.15	2.18
Total Comprehensive Income for the Year		40.67	(163.64)
Earnings per equity share :			
(1) Basic		6.78	(27.27)
(2) Diluted		6.78	(27.27)

Significant Accounting Policies and the accompanying notes 1 to 55 form an integral part of accounts.

As per our report of even date attached

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Chartered Accountants
Firm Reg. No. 000711C

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Sd/-
(KAMLESH KUMARI)
Company Secretary
ACS -24616

Place: New Delhi
Dated: 28.05.2018

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018

(Amount in ₹ Crore)

Particulars		Year Ended 31st March, 2018		Year Ended 31st March, 2017	
A	CASH FLOW FROM OPERATING ACTIVITIES:				
	Net Profit /(Loss) Before Tax		32.25		(149.78)
	Adjustment for:				
	-Interest on working capital loans	178.68		159.28	
	-Depreciation	16.02		15.94	
	-Net write back of Debts/Advances/claims/Assets	(25.85)		172.43	
	-Income/Expenditure relating to let out property	(31.16)		(33.47)	
	-Interest Income on fixed deposits	(1.31)		(0.40)	
	-Loss on sale of asset	0.12		0.18	
	-Liabilities written back	(3.42)		(73.27)	
	-Profit on sale of assets	(0.08)	133.00	(0.80)	239.89
	Operating Profit Before Working Capital Changes		165.25		90.11
	Adjustment for:				
	-Trade and other receivables		(104.25)		404.34
	-Inventories		39.46		(39.29)
	-Trade and other payables		67.01		(381.13)
	-Employee benefits		3.15		2.18
	Changes In Working Capital		170.62		76.21
	Income Tax Paid		18.26		(3.05)
	Net Cash Generated/Used In Operating Activities (A)		188.88		73.16
B	CASH FLOW FROM INVESTING ACTIVITIES:				
	-Net Sale/Purchase of Fixed Assets		(1.44)		(1.57)
	-Interest on deposits		1.31		0.40
	-Investments made		(0.19)		(1.22)
	-Let out properties (net)		31.16		33.47
	Net Cash From Investing Activities (B)		30.84		31.08
C	CASH FLOW FROM FINANCING ACTIVITIES:				
	-Increase in Working Capital Loan(net)		80.86		51.40
	-Interest Paid		(208.73)		(157.35)
	Net Cash From Financing Activities (C)		(127.87)		(105.95)
	Net Increase/Decrease In Cash And Cash Equivalents (A+B+C)		91.85		(1.71)

ANNUAL REPORT 2017-18



STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018

(Amount in ₹ Crore)

Particulars		Year Ended 31st March, 2018		Year Ended 31st March, 2017	
Reconciliation of Cash & Cash Equivalents					
(i)	Closing Cash & Bank Balances as per Balance Sheet		98.79		6.94
(ii)	Opening Cash & Bank Balances as per Balance Sheet		6.94		8.65
Cash & Bank Balances as per Cash Flow Statement			91.85		(1.71)
(iii)	Cash & Bank balances as per Balance Sheet		101.14		9.10
(iv)	Less : Non readily convertible Bank Deposits		2.35		2.16
(v)	Cash & Bank balances as per cash flow statement		98.79		6.94
(vi)	Cash & bank balances includes unpaid dividend		0.08		0.11

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

Significant Accounting Policies and the accompanying notes 1 to 55 form an integral part of accounts.

As per our report of even date attached

For P. JAIN & COMPANY

Chartered Accountants
Firm Reg. No. 000711C

Sd/-

(RAJIV CHOPRA)

Director (Marketing) with
additional charge of CMD
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(S.K. SINGHAL)

GM-F & CFO

Sd/-

(PANKAJ JAIN)

Partner
M. No. 097279

Sd/-

B R DHAWAN

CGM-Finance

Sd/-

(KAMLESH KUMARI)

Company Secretary
ACS -24616

Place: New Delhi
Dated: 28.05.2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(i) Equity Share Capital

(Amount in ₹ Crore)

Particulars	No. of shares (in crore)	Face Value (Rs.)	Amount
Balance as at April 1, 2016	6.00	10.00	60.00
Changes in share capital during the year	-	-	-
Balance as at March 31, 2017	6.00	10.00	60.00
Changes in share capital during the year	-	-	-
Balance as at March 31, 2018	6.00	10.00	60.00

(ii) Other Equity

(Amount in ₹ Crore)

Particulars	Reserves and Surplus						Total
	General Reserve	Capital Reserve	Retained Earnings	Exchange Fluctuation Reserve	Bonus Reserve	Other Reserve (Revaluation Reserve)	
Balance as at 31.03.2016	59.87	1.00	44.81	6.50	-	884.61	996.79
Changes in accounting policy prior period errors	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-
Transfer on account of Revaluation of fixed Assets	0.01	-	-	-	-	(0.01)	-
Adjustment of componentization of PPE	-	-	(0.05)	-	-	-	(0.05)
Prior Period Adjustment	-	-	(2.95)	-	-	-	(2.95)
Balance at April 1, 2016	59.88	1.00	41.81	6.50	-	884.60	993.79
Total Comprehensive Income for the year	-	-	(163.64)	-	-	-	(163.64)
Transfer to Bonus Reserve (Set on)	-	-	-	-	-	-	-
Transfer from Bonus Reserve (Set off)	-	-	-	-	-	-	-
Balance at March 31, 2017	59.88	1.00	(121.83)	6.50	-	884.60	830.15
Total Comprehensive Income for the year	-	-	40.67	-	-	-	40.67
Transfer to Bonus Reserve (Set on)	-	-	-	-	-	-	-
Transfer from Bonus Reserve (Set off)	-	-	-	-	-	-	-
Balance at March 31, 2018	59.88	1.00	(81.17)	6.50	-	884.60	870.81

As per our report of even date attached

For P. JAIN & COMPANY
Chartered Accountants
Firm Reg. No. 000711C

Sd/-
(RAJIV CHOPRA)
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CGM-Finance

Sd/-
(KAMLESH KUMARI)
Company Secretary
ACS -24616

Place: New Delhi
Dated: 28.05.2018



NOTES TO THE FINANCIAL STATEMENTS 2017-18

1. General Information

The State Trading Corporation of India Ltd. (STC) is a listed entity incorporated in India in 1956. The address of its registered office and branches are disclosed in Annual Report. STC undertakes import and export of large number of bulk commodities such as rice, wheat, sugar, pulses, edible oils, fertilisers, coal, bullion, etc. It also undertakes import of mass consumption items like wheat, sugar, pulses, etc. as and when called upon by the Government to do so. STC's corporate office is at New Delhi. It has 11 branch offices spread across the country.

The financial statements were approved for issue by the Board of Directors on May 28th, 2018.

2. First time adoption of Indian Accounting Standards (Ind-AS)

The company has adopted Ind-AS, in accordance with Notification dated February 16, 2015 issued by Ministry of Corporate Affairs, Government of India, with effect from April 01, 2017 with a transition date on April 01, 2016.

3. Significant Accounting Policies:

3.1 Statement of Compliance and basis of preparation of Financial Statements

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as notified by Ministry of Corporate Affairs, Government of India vide Notification dated February 16, 2015. Accounting policies have been applied consistently to all periods presented in these financial statements. The Financial Statements are prepared under historical cost convention from the books of accounts maintained under accrual basis except items covered under clause 3.5(v) and for certain financial instruments and defined benefit plan – plan assets, which are measured at fair value and in accordance with the Indian Accounting Standards prescribed under the Companies Act, 2013.

The Financial Statements up to the year ended March 31, 2017 were prepared in accordance with Indian Generally Accepted Accounting Practice (GAAP) which include Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the act.

3.2 Application of Indian Accounting Standards (Ind-AS)

As per MCA notification dated 16.02.2015, companies whose equity or debt securities are listed or are in the process of being listed on any stock exchange in India or outside India and having net worth of less than rupees five hundred crores need to comply with the requirements of Ind AS for its accounting period beginning on or after 01.04.2017.

All amounts included in the financial statements are reported in crore of Indian rupees (Rupees in Cr.) except number of equity shares and per share data, unless otherwise stated.

3.3 Use of estimates and judgment

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

3.4 Functional and presentation currency

These financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the Company.

3.5 Revenue Recognition

i. Trading Income

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable taking into account the amounts of trade discount and volume rebates. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, it is probable that economic benefits associated with the transaction will flow to the entity, the associated costs incurred or to be incurred in respect of the transaction can be measured reliably and there is no continuing management involvement with the goods. The point of transfer of risks and rewards depends upon the terms of the contract of sale with individual customers.

Revenue includes only the gross inflows of economic benefits received and receivable by the entity on its own account. Amounts collected on behalf of third parties such as sales taxes, goods and services taxes and value added taxes are not economic benefits which flow to the entity and do not result in increases in equity. Therefore, they are excluded from revenue. Similarly, in an agency relationship, the gross inflows of economic benefits include amounts collected on behalf of the principal and which do not result in increases in equity for the entity. The amounts collected on behalf of the principal are not revenue. Instead, revenue is the amount of commission

ii. **Cost of Sale and Sales**

- a) Purchases and sales are recognised on the performance of contracts.
- b) In cases where contracts provide for crystallization of price or for price adjustment on a subsequent date, corresponding purchases and sales are booked on the basis of expected settlement price and any differential determined subsequently is accounted for at the time of final settlement. Cost of Sale and Sales are accounted for considering all costs and elements including usance interest on supplier's credit as provided for in the contract and incurred till the date of recognition including expenses incurred by and surplus accruing to Business Associates as per contract terms.
- c) In respect of back-to-back / tripartite / joint-execution / third party arrangements, purchases and sales are booked on the basis of documents furnished by the Business Associate as adjusted for the fixed trade margin accruing to the Company.
- d) In case of dealings on behalf of the Government (including consignments under Government's Gift / Grant Scheme), purchases and sales and incidental expenses or income thereof are accounted for under the respective head of accounts. Surplus or deficit to Government Account, after adjusting company's margin accruing to the Company, is adjusted in Cost of Sales or Trade Income respectively.
- e) In case of certain commodities, import of which is canalised through the company, imported on 'government account' against authorisation letter issued by government of India, purchase/sale is booked in the name of company.
- f) High Sea Sales :
Sale during the course of import by transfer of documents of title i.e. High Sea Sale is booked upon transfer of documents of title to the goods in favour of buyer before the goods cross the customs frontiers of India.

iii. **Dividend and interest income**

Dividend income from investments is recognized when the Company's right to receive payment has been established and it is probable that the economic benefits associated with the transactions will flow to the Company and the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

iv. **Claims**

- a. Pending settlement, certain expenses/gain/losses like dispatch earned/demurrage payable etc. are accounted for on provisional basis on the best estimates of the Management .
- b. Claims are recognized in the Statement of Profit & Loss if there is no uncertainty relating to its ultimate realization. Claims recognized in the Statement of Profit & Loss but on subsequently becoming doubtful are provided for through the Statement of Profit & Loss.

v. **Revenue Recognition on Actual Realization**

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

- a) Claims for refund of excess insurance premium on open policies.
- b) Interest on loans to subsidiaries and on delayed payments of sales/ trade finance where realization is doubtful.
- c) Export benefits.
- d) Interest realisable from the items handled on Government account.
- e) Liquidated damages.
- f) Claims lodged with Insurance Companies.

3.6 Foreign currencies

Transactions in foreign currencies are recorded at the exchange rate prevailing at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.



Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and Loss except to the extent of exchange difference which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalised as cost of assets. Additionally, exchange gains or losses on foreign currency borrowings taken prior to April 1, 2016 which are related to the acquisition or construction of qualifying assets are adjusted in the carrying cost of such assets.

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

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

3.7 Property, Plant and Equipments

All Property, Plant and Equipments (PPE) are stated at carrying value in accordance with previous GAAP, which is used as deemed cost on the date of transition to Ind AS using the exemption granted under Ind AS 101.

The cost of an item of property, plant and equipment is recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The cost of an item of PPE is the cash price equivalent at the recognition date. The cost of an item of PPE comprises:

- i) Purchase price, including import duties and non-refundable purchase taxes, after deducting tax recoverable, trade discounts and rebates.
- ii) Costs directly attributable to bringing the PPE to the location and condition necessary for it to be capable of operating in the manner intended by management.
- iii) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the company incurs either when the PPE is acquired or as a consequence of having used the PPE during a particular period for purposes other than to produce inventories during that period.

Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing items of PPE, including day-to-day repair and maintenance expenditure, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of items of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The company has chosen the cost model of recognition for an entire class of PPE. After recognition as an asset, an item of PPE is carried at its cost less accumulated depreciation and accumulated impairment losses, if any.

Under previous GAAP (Indian GAAP), land and buildings, were carried in the balance sheet on the basis of fair valuations performed in 2014-15. The Company has also determined that revaluation carried in 2014-15 does not differ materially from fair valuation as at 1 April 2016 (date of transition to Ind-AS). Accordingly, the Company has not revalued the property at 1 April 2016 again. The Company regards the fair value as deemed cost at the transition date, viz., 1 April 2016.

3.8 Intangible Assets

All Intangible Assets (Computer Software's) are stated at carrying value in accordance with previous GAAP, which is used as deemed cost on the date of transition to Ind AS using the exemption granted under Ind AS 101.

Identifiable intangible assets are recognized when the company controls the asset; it is probable that future economic benefits expected with the respective assets will flow to the company for more than one economic period; and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. Cost comprises purchase price, import duties, non-refundable purchase tax, after deducting tax recoverables, trade discount, rebate and any cost directly attributable to bringing the asset to location and condition necessary for it to be capable of operating in the manner intended by Management. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible Assets are amortized over their useful life as determined by the Management.

Computer softwares are amortized on straight line basis over a period of two and a half year beginning from the date of capitalization.

The amortization period and the amortization method are reviewed at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed prospectively. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for prospectively i.e. change in estimate in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

3.9 Depreciation

The depreciable amount of an item of PPE and investment properties is allocated on a straight line basis over its useful life. The residual value and the useful life of an asset are reviewed at each financial year-end. Each part of an item of PPE with a cost that is significant in relation to the total cost of the asset and useful life of that part is different from remaining part of the asset; such significant part is depreciated separately. Depreciation on all such items is provided from the date they are 'Available for Use' till the date of sale / disposal and includes amortization of intangible assets and lease hold assets. Freehold land is not depreciated. An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Depreciation on PPE other than land is provided in accordance with useful life of assets specified in Schedule II of the Companies Act, 2013 on straight-line method except intangible assets, which are depreciated over a period of 2 ½ years.

Leasehold land is amortised over the lease period. Land on perpetual lease is not amortised.

Depreciation on additions to/deductions from PPE during the year is charged on pro-rata basis from the date the asset is available for use till it is de-recognised.

Estimated useful life of the property plant and equipments (PPE) is given as under:

S. No.	Description	Years
1	Building	
	a) RCC frame	60
	b) Other than RCC frame	30
	c) Factory Buildings	30
	d) Fences, tube wells	5
	e) Others including temporary structure	3
2	Plant and Machinery	15
3	Electrical installation and equipments	10
4	Furniture & Fixture	10
5	Vehicles - cars	8
6	Office equipments	5



S. No.	Description	Years
7	Computer and data processing units:	
	-Servers & Networks	6
	-End user devices such desktop, laptop etc.	3
8	Components: HVAC plant	
	a) Chiller Unit	15
	b) Piping work	15
	c) Air handling work	10
	d) Other components	15
9	Lease hold land	Over lease period
10	Perpetual lease	Nil
11	Intangible Assets – Software etc.	2.5

3.10 Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). All of the Company's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties.

Investment properties are measured initially at cost, including transaction costs after initial recognition, the company measures investment property at cost less accumulated depreciation and accumulated impairment loss, if any.

All investment property are stated at carrying value in accordance with previous GAAP, which is used as deemed cost on the date of transition to Ind AS.

Investment properties to be depreciated in accordance to the class of asset that it belongs and the life of the asset shall be as conceived for the same class of asset by the Company.

Though investment property is measured using cost model, the fair value of investment property is disclosed in the notes. Fair values are determined on the basis of a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

3.11 Impairment

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

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

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

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

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

3.12 Leases

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

i. As a lessee

Finance leases are capitalised at the commencement of the lease. At the inception date leased property is recognised lower of fair value of the leased property or present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

ii. As a lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Lease income from operating leases shall be recognized in income on a straight-line basis over the lease term of relevant lease.

3.13 Inventories

Inventories are carried at lower of cost and net realizable value except by-products which are valued at net realizable value. Cost is determined as:

- on yearly weighted average method in respect of inventories pertaining to own business and items handled on Govt. account under PDS or otherwise,
- on actual cost as per specific identification method in respect of items handled on back to back arrangement with business associates,
- Goods-in-transit is valued at CIF cost.

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

3.14 Employee benefits

- Short term employee benefits expected to be paid are recognized at their undiscounted amount in the accounting period in which they are incurred.
- Post-retirement benefits:
 - Defined contribution plan: Employees' benefit, under defined contribution plan comprising provident fund (administered through separate trust) and pension fund (administered through defined contribution to LIC) are recognized based on the undiscounted obligation of the company to contribute to the plan in the period in which the employee renders the related service. The same is paid to funds administered through separate Trust.



b. Defined Benefit plan:

- a) Provision for gratuity, leave encashment and half pay leave are determined on the basis of actuarial valuation using the projected unit credit method.
- b) Liability towards post retirement medical benefit is provided based on actuarial valuation as at the year end.
- c) Other Long Term Benefits:

Other long term benefits i.e. Long Service Award are determined on the basis of Actuarial Valuation undertaken at the year end.

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

iii. Termination Benefits:

Retirement benefit under Voluntary retirement scheme is written off in the year in which opted.

3.15 Borrowing Costs

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

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

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

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

3.16 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments consist of:

- a) financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets;
- b) financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.

Initial Recognition

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

Subsequent Measurement

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

- a) Cash and cash equivalents
For the purposes of the cash flow statement, cash and cash equivalents include cash in hand, at banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the statement of financial position, bank overdrafts are presented under borrowings within current liabilities.
- b) Investments in liquid mutual funds, equity securities (other than Subsidiaries, Joint Venture and Associates) are valued at their fair value. These investments are measured at fair value and changes

therein, other than impairment losses, are recognized in statement of profit and loss and presented within equity, net of taxes. The impairment losses, if any, are reclassified from equity into statement of income. When an available for sale financial asset is derecognized, the related cumulative gain or loss recognised in equity is transferred to the statement of income.

c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current financial assets, except for those maturing later than 12 months after the reporting date which are presented as non-current financial assets. Loans and receivables are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade receivables, unbilled revenues and other assets.

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

d) Security Deposits

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

e) Trade and other payables

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

f) Investments in Subsidiary, Associates and Joint Venture

The company accounts investment in subsidiary, joint ventures and associates at cost. An entity controlled by the company is considered as a subsidiary of the company. Investments in subsidiary company outside India are translated at the rate of exchange prevailing on the date of acquisition. Investments where the company has significant influence are classified as associates. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. A joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement is classified as a joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Derivative financial instruments

The Company may use derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of income as cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit or loss.

Impairment of financial assets

Financial assets, other than those at Fair Value through Profit and Loss (FVTPL), are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. For Available for Sale (AFS) equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.



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

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

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

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

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

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

De-recognition of financial assets

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

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

3.17 Taxation

Tax expense

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

1. Current tax

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

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

- a. As a legal enforceable right to set off the recognised amounts and
- b. Intends either to settle on a net basis, over to realise the assets and settle the liability simultaneously.

2. Deferred tax

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

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

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

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

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

3.18 Current and Non Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is-

- expected to be realised, or intended to sold or consumed in normal operating cycle;
- held the asset primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when-

- expected to be settled in normal operating cycle;
- held the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

3.19 Provisions, Contingent Liabilities and Contingent Assets

General

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

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

Contingent liabilities

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



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

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

Contingent Assets

Contingent Assets are not recognized in the financial statements. Such contingent assets are assessed continuously and are disclosed in Notes when the inflow of economic benefits becomes probable. If it is virtually certain that inflow of economic benefit will arise then such assets and the relative income will be recognized in the financial statements.

Provision for Doubtful Debts/Advances/Claims

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

3.20 Earnings per share

A basic earnings per equity is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3.21 Segment Information

The Chief Operational Decision Maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on their revenue growth and operating income.

The Company has identified its Operating Segments as Exports, Imports and Domestic.

The Assets and liabilities used in the Company's business that are not identified to any of the operating segments are shown as unallocable assets/liabilities.

Exemption from retrospective application:

- i) Fair Value as deemed cost exemption:
The company has elected to measure items of property, plant and equipment and intangible assets at its carrying value at the transaction date except for certain class of assets which are measured at fair value as deemed cost.
- ii) Cumulative translation differences:
The company has elected to apply Ind AS 21 – The effects of changes in foreign exchange rate prospectively. Accordingly all cumulative gain/losses recognized are reset to Zero by transferring it to retained earnings.
- iii) Investment in subsidiaries, joint ventures and associates:
The company has elected to measure investment in subsidiaries, joint Ventures and associate at cost.

As per our report of even date attached

For P. JAIN & COMPANY
Chartered Accountants
Firm Reg. No. 000711C

Sd/-
(PANKAJ JAIN)
Partner
M. No. 097279

Place : New Delhi
Date : 28.05.2018

Sd/-
(RAJIV CHOPRA)
Director (Marketing) with
additional charge of CMD
DIN -06466326

Sd/-
B R DHAWAN
CGM-Finance

Sd/-
(S.K. SINGHAL)
GM-F & CFO

Sd/-
(KAMLESH KUMARI)
Company Secretary
ACS -24616

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

**4. Property, Plant and Equipment**

for the year ended March 31, 2018

(Amount in ₹ Crore)

	GROSS BLOCK				DEPRECIATION & AMORTIZATION				ACCUMULATED IMPAIRMENT				NET BLOCK
Particulars	Gross carrying value as at April 01, 2017	Additions	Disposal/adjustments	Gross carrying value as at March 31, 2018	Accu-mulated depreciation as at April 01, 2017	Additions	Disposal/adjustments	Accu-mulated depreciation as at March 31, 2018	As on April 01, 2017	Additions	Disposal/adjustments	As at March 31, 2018	Carrying Value as at March 31, 2018
Tangible Assets -Freehold													
Land	13.17	-	3.27	9.90	-	-	-	-	-	-	-	-	9.90
Building	109.05	0.04	1.05	108.04	5.36	5.35	-	10.71	-	0.19	-	0.19	97.14
Plant & Machinery	8.28	-	0.04	8.24	0.68	0.68	-	1.36	-	-	-	-	6.88
Furniture & Fixtures	1.11	-	-	1.11	0.16	0.15	-	0.31	-	-	-	-	0.80
Motor Vehicle	0.99	-	-	0.99	0.10	0.12	-	0.22	-	-	-	-	0.77
Office Equipment	0.50	0.01	0.01	0.50	0.12	0.11	-	0.23	-	-	-	-	0.27
Computers, data processing units & communication equipment	0.79	0.10	0.01	0.88	0.25	0.25	-	0.50	-	-	-	-	0.38
Electrical Installations & Equipment	2.99	0.18	0.01	3.16	0.27	0.37	-	0.64	-	-	-	-	2.52
Other Assets held for Disposal	0.09	-	0.09	-	-	-	-	-	-	-	-	-	-
Total (A)	136.97	0.33	4.48	132.82	6.94	7.03	-	13.97	-	0.19	-	0.19	118.66
Tangible Assets -Leasehold										-	-		-
Land	388.75	-	-	388.75	0.21	0.20	-	0.41	-	-	-	-	388.34
Building	99.02	-	-	99.02	3.60	3.37	-	6.97	-	-	-	-	92.05
Roads, culverts & sewerage etc	0.17	-	-	0.17	0.02	0.02	-	0.04	-	-	-	-	0.13
Plant & Machinery	3.39	-	-	3.39	0.34	0.34	-	0.68	-	-	-	-	2.71
Others (specify nature)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (B)	491.33	-	-	491.33	4.17	3.93	-	8.10	-	-	-	-	483.23
Total (A+B)	628.30	0.33	4.48	624.15	11.11	10.96	-	22.07	-	0.19	-	0.19	601.89

4.1 L & DO allotted a plot of land measuring 2.599 acres for constructing of office building vide lease agreement signed on 15.12.1975. In order to execute the perpetual lease, matter has been taken up with L&DO who has indicated an expenditure of Rs 132.83crore on various account for facilitating execution of perpetual lease. The demand raised by L&DO is not acceptable to STC and is being disputed in view of verification of actual facts. The actual liability is therefore not ascertainable at present. Hence no provision was considered necessary.

4.2 LEASE

1. JawaharVyaparBhawan (JVB): This has been considered as finance lease as per the last executed lease and current discussions provide for perpetuity of lease.

- The land has been allotted by L&DO.
- The property to be used as office building of STC and in case of any portion of building is given on rent 25% of the rental income is payable to L&DO.
- The STC would be liable to pay ground rent on half yearly basis to L&DO.
- The property cannot be sold/ mortgage or put to any other use without written consent of L&DO.

2. STC's Housing Colony: This has been considered as finance lease in view of perpetuity of earlier lease deed.

- The property has been allotted by land and Building Delhi Administration.
- It is to be used as residential quarters for Staff.

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

c. STC to pay agreed ground rent annually.

3. Asian Games Village Complex (AGVC)

a. Lease deed has not been executed. However in view of perpetuity as per allotment letter, it has been considered as finance lease.

b. The property has been allotted by DDA.

c. STC to pay ground rent annually.

4.3 Gross fixed assets and accumulated depreciation includes Rs. NIL (₹1.48 crore) in respect of electric installation & vehicle of Chennai STC destroyed due to flood during the previous year.

4.4 The process of issuance of sub divided lease deeds in respect of STC's Office Complex at New Delhi, residential land and flats at Mehrauli Road, Delhi separately in the name of company and its co owners is pending. Deemed cost of land & Building is ₹581.93 crore (₹581.93 crore) of office complex and ₹132.36 crore (₹132.36 Crore) of Housing Colony Execution of lease deed in respect of flats at AGVC complex is pending. The Deemed cost of such flats is ₹28.42 crore (₹28.42 crore).

4.5 Formal lease deed in respect of Lease hold plot (Mallet Bunder) at Mumbai Port Trust where company has tank farm installation is yet to be executed though lease has been extended by way of allotment letter. Registration of deed of conveyance in respect of 7 flats at Mumbai is pending. Total Deemed cost of such flats is ₹33.60 crore (₹33.60 crore).

4. Property, Plant and Equipment

for the year ended March 31, 2017

(Amount in ₹ Crore)

Particulars	GROSS BLOCK				DEPRECIATION & AMORTIZATION				ACCUMULATED IMPAIRMENT				NET BLOCK
	Deemed cost as at April 01, 2016	Additions	Disposal/adjustments	Gross carrying value as at March 31, 2017	Accumulated depreciation as at April 01, 2016	Additions	Disposal/adjustments	Accumulated depreciation as at March 31, 2017	As on April 01, 2016	Additions	Disposal/adjustments	As at March 31, 2017	Carrying Value as at March 31, 2017
Tangible Assets - Freehold													
Land	20.08	-	6.91	13.17	-	-	-	-	-	-	-	-	13.17
Building	110.78	-	1.73	109.05	-	5.36	-	5.36	-	-	-	-	103.69
Plant & Machinery	8.27	0.01	-	8.28	-	0.68	-	0.68	-	-	-	-	7.60
Furniture & Fixtures	1.04	0.10	0.03	1.11	-	0.16	-	0.16	-	-	-	-	0.95
Motor Vehicle	0.71	0.29	0.01	0.99	-	0.10	-	0.10	-	-	-	-	0.89
Office Equipment	0.42	0.12	0.04	0.50	-	0.12	-	0.12	-	-	-	-	0.38
Computers, data processing units & communication equipment	0.49	0.32	0.02	0.79	-	0.25	-	0.25	-	-	-	-	0.54
Electrical Installations & Equipment	2.14	1.32	0.47	2.99	-	0.27	-	0.27	-	-	-	-	2.72
Other Assets held for Disposal	-	-	(0.09)	0.09	-	-	-	-	-	-	-	-	0.09
Total (A)	143.93	2.16	9.12	136.97	-	6.94	-	6.94	-	-	-	-	130.03
Tangible Assets - Leasehold													
Leasehold Land	388.75	-	-	388.75	-	0.21	-	0.21	-	-	-	-	388.54
Leasehold Building	99.02	0.01	0.01	99.02	-	3.60	-	3.60	-	-	-	-	95.42
Roads, culverts & sewerage etc (Leasehold)	0.17	-	-	0.17	-	0.02	-	0.02	-	-	-	-	0.15
Plant & Machinery (Leasehold)	3.39	-	-	3.39	-	0.34	-	0.34	-	-	-	-	3.05
Others (specify nature)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (B)	491.33	0.01	0.01	491.33	-	4.17	-	4.17	-	-	-	-	487.16
Total (A+B)	635.26	2.17	9.13	628.30	-	11.11	-	11.11	-	-	-	-	617.19



NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

5 Capital Work- In- Progress For the year ended March 31, 2018

(Amount in ₹ Crore)

Particulars	Balance as at April 01, 2017	Additions/ Adjustments during the year	Capitalized during the year	Balance as at March 31, 2018
Office Building	0.06	-	-	0.06
Plant & Equipment	0.71	0.02	-	0.73
Office Equipment	0.03	0.77	-	0.80
Others (specify nature)	0.17	0.21	0.17	0.21
Intangible Assets under Development	0.01	0.29	-	0.30
Total	0.98	1.29	0.17	2.10

For the year ended March 31, 2017

(Amount in ₹ Crore)

Particulars	Balance as at April 01, 2016	Additions/ Adjustments during the year	Capitalized during the year	Balance as at March 31, 2017
Office Building	0.33	-	0.27	0.06
Plant & Equipment	0.03	0.68	-	0.71
Office Equipment	-	0.03	-	0.03
Others (specify nature)	0.12	0.05	-	0.17
Intangible Assets under Development	-	0.01	-	0.01
Total	0.48	0.77	0.27	0.98

6 Investment Property For the year ended March 31, 2018

(Amount in ₹ Crore)

Particulars	FREEHOLD		LEASEHOLD		Total
	Land	Building	Land	Building	
Gross carrying value as at April 1, 2017	12.87	3.19	204.05	97.72	317.83
Additions	-	-	-	-	-
Disposal/adjustments	(3.27)	(1.05)	-	-	(4.32)
Gross carrying value as at March 31, 2018	16.14	4.24	204.05	97.72	322.14
Accumulated depreciation as at April 1, 2017	-	0.08	0.63	4.10	4.81
Additions	-	0.09	0.63	4.10	4.82
Disposal/adjustments	-	-	-	-	-
Accumulated depreciation as at March 31, 2018	-	0.17	1.25	8.21	9.62
Impairment as at April 1, 2017	-	-	-	-	-
Additions	-	0.02	-	-	0.02
Disposal/adjustments	-	-	-	-	-
Impairment as at March 31, 2018	-	0.02	-	-	0.02
Carrying Value as at March 31, 2018	16.14	4.05	202.80	89.51	312.50

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NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

For the year ended March 31, 2017

(Amount in ₹ Crore)

Particulars	Land	Building	Land	Building	Total
Gross carrying value as at April 1, 2016	5.97	1.46	204.05	97.72	309.19
Additions	-	-	-	-	-
Disposal/adjustments	(6.91)	(1.73)	-	-	(8.64)
Gross carrying value as at March 31, 2017	12.87	3.19	204.05	97.72	317.83
Accumulated depreciation as at April 1, 2016	-	-	-	-	-
Additions	-	0.08	0.63	4.10	4.81
Disposal/adjustments	-	-	-	-	-
Accumulated depreciation as at March 31, 2018	-	0.08	0.63	4.10	4.81
Impairment as at April 1, 2016	-	-	-	-	-
Additions	-	-	-	-	-
Disposal/adjustments	-	-	-	-	-
Impairment as at March 31, 2017	-	-	-	-	-
Carrying Value as at March 31, 2017	12.87	3.11	203.42	93.61	313.02
Deemed Cost as at April 1, 2016	5.97	1.46	204.05	97.72	309.19

Amounts recognised in profit or loss for investment properties

Particulars	For the period ended March 31, 2018	For the period ended March 31, 2017
Rental income derived from Investment Properties	41.28	41.51
Direct operating expenses from property that generated rental income	(10.12)	(8.04)
Profit from investment properties before depreciation	31.16	33.47
Depreciation	(4.82)	(4.81)
Profit from investment properties	26.34	28.66

Explanatory Note

Fair value measurement of investment properties:

The fair value of the Company's investment property as at 31 March 2018 has been determined by External, independent property valuers having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued. The company has obtained independent valuations for its investment properties as on 31.03.2018 and fair value measurement has been categorised as level III. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties/capitalisation of net income method, where the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighborhood. The capitalisation rate adopted is made by reference to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the valuers' knowledge of the factors specific to the respective properties/other methods. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Details of Investment properties and information about the fair value are as under:

Particulars	Fair Value as at 31.03.2018 (₹. Crore)
Land & Building	321.97

Fair Value as on 31.03.2017 & 01.04.2016 are not available

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

7 Intangible Assets

For the year ended March 31, 2018

(Amount in ₹ Crore)

Particulars	Computer Softwares	Others (Specify Nature)	Total
Gross carrying value as at April 1, 2017	0.03	-	0.03
Additions	0.11	-	0.11
Disposal/adjustments	-	-	-
Gross carrying value as at March 31, 2018	0.14	-	0.14
Accumulated amortisation as at April 1, 2017	0.01	-	0.01
Additions	0.03	-	0.03
Disposal/adjustments	-	-	-
Accumulated amortisation as at March 31, 2018	0.04	-	0.04
Carrying Value as at March 31, 2018	0.10	-	0.10

For the year ended March 31, 2017

(Amount in ₹ Crore)

Particulars	Computer Softwares	Others (specify Nature)	Total
Deemed Cost as at April 1, 2016	0.03	-	0.03
Additions	-	-	-
Disposal/adjustments	-	-	-
Gross carrying value as at March 31, 2017	0.03	-	0.03
Accumulated amortisation as at April 1, 2016	-	-	-
Additions	0.01	-	0.01
Disposal/adjustments	-	-	-
Accumulated amortisation as at March 31, 2017	0.01	-	0.01
Carrying Value as at March 31, 2017	0.02	-	0.02
Deemed Cost as at April 1, 2016	0.03	-	0.03

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NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(Amount in ₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
8. Investments			
Non Current			
Long Term			
Unquoted Investments			
Investment in Equity instrument~Subsidiaries STCL Limited			
1,50,000 (Fully paid up Equity shares of ₹100 each)	2.82	2.82	2.82
Less: Impairment in value of Investment	2.82	2.82	2.82
Net	-	-	-
Investment in Equity instrument ~ Joint Ventures			
NSS Agro Development Co. Ltd.			
1,00,000 (Fully paid up Equity shares of ₹10 each)	0.10	0.10	0.10
Less: Impairment in value of Investment	0.10	0.10	0.10
Net	-	-	-
Others			
Sea Lac Agro Ventures Limited			
1,00,000 (Fully paid up Equity shares of ₹10 each)	0.10	0.10	0.10
Less: Impairment in value of Investment	0.10	0.10	0.10
Net	-	-	-
Maharashtra Small Scale Industries Development			
10,000 (Fully paid up Equity shares of ₹100/-each)	0.10	0.10	0.10
Less: Impairment in value of Investment	0.10	0.10	0.10
Net	-	-	-
Andhra Pradesh State Trading Corporation			
100 (Fully paid up Equity shares of ₹1000/-each)	0.01	0.01	0.01
Less: Impairment in value of Investment	-	-	-
Net	0.01	0.01	0.01
Sindhu Resettlement			
4 (Fully paid up Equity shares of ₹1000/-each)	-	-	-
Less: Impairment in value of Investment	-	-	-
Net	-	-	-
Total	0.01	0.01	0.01
Current			
Total	-	-	-

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

- 8.1 Other investment includes ₹2.82 crore (₹2.82 crore) in its 100% subsidiary company namely STCL Limited. The subsidiary company was having negative net worth as on 31.03.2017 (audited). Full provision for diminution in the value of investment has been made in earlier years.
- 8.2 Other investment includes ₹0.10 crore (₹0.10 crore) in Joint Venture Company NSS Satpura Agro Development Co. Ltd. The company had a negative net worth as on 31st March 2014. Full Provision for diminution in the value of investment has been made in the earlier years.

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
9.	Non Current	-	-	-
	A. Trade Receivables from related parties	-	-	-
	i. Secured ~ Considered good	-	-	-
	ii. Unsecured Considered good	-	-	-
	iii. Considered doubtful	-	-	-
	Sub-total	-	-	-
	Less : Allowance for bad and doubtful receivables	-	-	-
	Total (A)	-	-	-
	B. Other Trade Receivables	-	-	-
	i. Secured ~ Considered good	11.33	20.39	99.60
	ii. Unsecured Considered good	953.22	960.24	969.22
	iii. Considered doubtful	620.01	655.39	462.78
	Sub-total	1,584.56	1,636.02	1,531.60
	Less : Allowance for bad and doubtful receivables	620.01	655.39	462.78
	Total (B)	964.55	980.63	1,068.82
	Total (A+B)	964.55	980.63	1,068.82
	Current			
	A. Trade Receivables from related parties			
	i. Secured ~ Considered good	-	-	-
	ii. Unsecured Considered good	-	-	-
	iii. Considered doubtful	-	-	-
	Sub-total	-	-	-
	Less : Allowance for bad and doubtful receivables	-	-	-
	Total (A)	-	-	-
	B. Other Trade Receivables			
	i. Secured, Considered good	129.87	132.03	715.49
	ii. Unsecured Considered good	2,091.02	1,980.46	1,923.66
	iii. Doubtful	5.13	4.88	3.41
		2,226.02	2,117.37	2,642.56
	Less: Allowance for bad and doubtful debts	5.13	4.88	3.41
		2,220.89	2,112.49	2,639.15
	Total (B)	2,220.89	2,112.49	2,639.15
	Total (A+B)	2,220.89	2,112.49	2,639.15
	Amount Due from:			
	Directors	-	-	-
	Other Officers	-	-	-
	Amount due from Firms/companies in which directors are partner/member/director	-	-	-
	Ageing of Trade Receivables			



NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Up to 6 months	164.81	191.89	363.49
more than 6 months	3,645.77	3,561.50	3,810.67
Total (current + Non current)	3,810.58	3,753.39	4,174.16
Movement in allowances for doubtful debt			
Non Current			
Balance at the beginning of the period	655.39	462.59	462.78
Impairment losses recognised	13.17	194.02	-
Amount written off during the period	-	0.01	-
Amounts recovered during the period	48.55	1.21	-
Foreign exchange translation gain/losses	-	-	-
Balance at the end of the period	620.01	655.39	462.78
Current			
Balance at the beginning of the period	4.88	1.55	3.41
Impairment losses recognised	0.25	3.33	-
Amount written off during the period	-	-	-
Amounts recovered during the period	-	-	-
Foreign exchange translation gain/losses	-	-	-
Balance at the end of the period	5.13	4.88	3.41

- 9.1 Current Trade receivable include ₹3.91 crore (₹9.95 crore) towards balance 9.90% of the export proceeds to be recovered and transferred to FCI subsequent to deduction of charge, if any. Matter pending subject to resolving of the claim of GASC, Egypt amounting to USD 603,357.75 towards fumigation and other charges at port. The same has been refuted by STC as per contract terms and matters has been taken up with MEA for early resolution.
- 9.2 Current Trade receivables include ₹89.75 Crore (₹84.96 crore) which is overdue on account of pending reconciliation issues / performance guarantee. No provision has been considered necessary since the outstanding amount is secured by corresponding credit balance available in sundry creditors.
- 9.3 Non-Current trade receivables includes ₹122.95 Crore (₹122.95 Crore), excluding contingent assets of ₹477.09 crore (₹378.73 crore) recoverable from one of the business associates for goods sold in earlier years which is overdue. STC has filed complaint for commission of offences under section 405, 406, 409, 415 & 420 read with sec. 107, 120-B, 34 of Indian Penal Code in the court of Judicial Magistrate (First Class) against the associate. As a matter of prudence, full provision for ₹122.95 crore has already been created during the financial year 2016-17.
- 9.4 Non current Trade receivable include ₹NIL (₹3.47 crore) being 3.5% of invoice value retained by one of the business associates as performance guarantee which is secured by corresponding credit balance available in sundry creditors.
- 9.5 Current Trade receivables include ₹2076.70 crore (₹1904.24 crore) (excludes contingent asset ₹248.06 crore (₹230.43 crore) for goods sold during previous years to one of the business associate. Dues are secured by EMD of ₹29.73 crore and the personal guarantee of Chairman of its holding company. The business associate and its holding company (Guarantor) had signed a Conciliation Agreement dated 15.11.2011 and further settlement agreement dated 17.05.2012 with STC for payment of entire dues by 10.11.2012 under Indian Arbitration and Conciliation Act and has been held as final decree by Hon'ble Supreme Court. The case for enforcement of decree is continuing with Hon'ble Supreme Court. During the year, the business associate remitted an amount of ₹100.00

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

- crore with the knowledge of Hon'ble Supreme Court. Considering the status of case in the Hon'ble Supreme Court, the management is hopeful that the associate may come out with settlement proposal for repayment of entire dues to STC. Next date of hearing is 04.07.2018. Hence the debt is good and recoverable.
- 9.6 Non-current unsecured trade receivables include ₹568.44 crore (₹568.44 crore) on account of export of pharma products to foreign buyers through Indian business associates. The Indian business associate drew bills of exchange on the company which were accepted by the company on back to back basis upon receipt of overseas buyers pre-acceptance to company's bills of exchange. However, the foreign buyers defaulted in making payment against the export bills and have gone into liquidation. A claim of ₹527.86 crore has been admitted by the liquidator of one of the foreign buyer i.e. Loben Trading Co. Pte Ltd. . A decree of ₹62.47 crore has been passed by Hon'ble Mumbai High Court in favour of company against the dues from one of the foreign buyer i.e. Sweetland Trading Pte Ltd. As of current date, the indian business associate had gone into liquidation and official liquidator is appointed by Hon'ble High Court Mumbai. The matter is also under investigation by CBI. Considering the legal enforceability of back to back agreement and corresponding credit of ₹568.44 crore (₹568.44 crore) in the opinion of management, no further provision is required for outstanding receivables of similar amount. The Indian business associate also discounted the bills of exchange conditionally accepted by the company from their bankers by utilizing their own credit limits. Legal proceedings have been initiated by the associate's bankers against the associate and the company. Banks & Financial Institutions have filed legal suit against indian business associate before DRT making the company also a party to the case claiming ₹476.47 crore. The company contended that under the back to back agreement, amount due to the banks are payable only after receipt of export realization from the foreign buyers. However as a matter of prudence, amount of ₹476.47 crore (₹476.47 crore) as claimed has been shown as contingent liability.
- 9.7 Non-Current trade receivables include ₹9.83 crore (₹9.83 crore) (net of provision for diminution in value of stock), excluding contingent assets of ₹19.80 crore (₹14.41 crore) recoverable from one of the business associates for goods sold in earlier years. The overdue is secured by pledge of stocks in favour of STC. Upon non-payment of overdue receivables, legal actions have been initiated against the business associate u/s 138 of Negotiable Instruments Act, 1881 and civil hearings are in progress. Another PSU company Metal and Scrap Trading Corporation (MSTC) had made a claim in respect of ownership of some of the pledged stock sold by the STC to business associate. As per the direction of the Mumbai High Court, the STC and MSTC have jointly appointed approved valuer to carry out the valuation of the stock. As on balance sheet date, the pledged stock has been valued at ₹9.95 crore (₹9.83 crore) by approved valuer. The Mumbai High Court has directed to dispose off the cargo with the condition that the proceeds be kept in Escrow Account or with some Bank FD till the ownership of cargo is decided. As per the direction of Mumbai High Court, STC jointly with MSTC is in the process of appointment of auctioneer and is awaiting further direction from Hon'ble Mumbai High Court. Considering the value of pledge stock, in the opinion of management, no further provision is considered necessary.
- 9.8 Non-Current trade receivables includes ₹17.28 crore (₹17.28 crore), excluding contingent assets of ₹126.00 crore (₹101.94 crore) recoverable from one of the business associates for goods sold in earlier years. Criminal complaints u/s 138 of Negotiable Instruments Act, 1881 and contempt application filed before Hon'ble High Court, New Delhi are under progress against the business associate. As a matter of prudence, provision for full amount of ₹17.28 crore has been created during year 2016-17. Arbitration proceedings are also going on before ICA, New Delhi. Further, STC has filed application with National Company Law Tribunal (NCLT) under Insolvency & Bankruptcy Code (IBC), 2016 against business associate. STC is in the process of reviewing reply of business associate and its impact of ongoing recovery proceedings. Company is expecting settlement offer in view of criminal proceedings against business associate.
- 9.9 Non-Current trade receivables include ₹787.65 crore (₹787.65 crore), excluding contingent assets of ₹221.97 crore (₹198.25 crore) under the Credit Linked Insurance Scheme (CLIS) for export of gold jewellery etc. to foreign buyers through various Indian business associates. Against said trade receivables, corresponding balances of ₹342.19 crore (₹342.19 crore) is payable to business associates under agreed arrangement leaving net receivable of ₹445.46 crore (₹445.46 crore) and is disclosed under long term doubtful trade receivable. Since the foreign buyers defaulted in making payment and as per the terms & conditions of agreement, the post dated cheques given by the business associates were encashed and were subsequently dishonoured by payee banks. Accordingly action against the business associates has been initiated u/s 138 of Negotiable Instruments Act, 1881 and proceedings are in progress. Summary suits & winding up petitions have been filed by the STC against the business associates for recovery of amount due before Hon'ble High Court Mumbai. As on date, winding up orders have been passed



NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

- against most of the business associates. The matter is also under investigation by CBI. The legal proceedings are being pursued by STC. However, as a matter of prudence and measure of abandon caution, full provision of ₹445.46 crore (₹445.46 crore) has been made in the earlier years to the extent of doubtful net trade receivables. Considering the legal enforceability of back to back agreement and corresponding credit of ₹342.19 crore (₹342.19 crore), in the opinion of management, no further provision is required for outstanding receivables of similar amount.
- 9.10 Other trade receivables include ₹41.92 crore (₹41.92 crore) excluding contingent assets of ₹149.64 crore (₹112.10 crore) on account of export of agri commodities to foreign buyers through Indian business associates against which credit balance of ₹41.92 crore (₹41.92 crore) under back to back arrangement is available under trade payable. The foreign buyer defaulted in making payment and upon non-receipt of the dues from business associate, the Company has initiated necessary legal steps against business associate for recovery. The matter is also under investigation by CBI. Considering the legal enforceability of the agreement and corresponding credit of ₹41.92 crore (₹41.92 crore), no further provision is considered necessary.
 - 9.11 Other trade receivables include ₹10.21 crore (₹10.21 crore) recoverable from MARKFED, Govt. of Maharashtra (GOM) towards supply of RBD Palmolen under PDS Scheme during the year 2010-11 and 2011-12. All amounts relating to this supply were received by Company except the outstanding balance of ₹10.21 crore (₹10.21 crore) pending for final reconciliation at the end of MARKFED and Govt. of Maharashtra. Matter is being constantly taken up with GOM and MARKFED for recovery. However, as a matter of prudence, provision of ₹10.21 crore has been made during the previous year 2016-17.
 - 9.12 Non-Current trade receivables includes ₹3.22 crore (₹3.22 crore), excluding contingent assets of ₹4.11 crore recoverable from one of the business associates towards import of pet bottle material which are pledged with the company. The company has initiated necessary legal steps to recover the dues, a provision of ₹1.76 crore (₹1.76 crore) has been made to the extent dues not covered by pledged stock.
 - 9.13 Non-current trade receivables includes ₹0.02 crore (₹48.57 crore), excluding contingent assets of ₹111.66 crore (₹90.30 crore) recoverable from one of the business associate for goods sold in earlier years. The Arbitration case filed before ICA is being pursued vigorously, as result of which ₹48.55 crore have been received during the year 2017-18 from the associate. For the balance amount an application under section 9 of Arbitration and Conciliation Act 1996 is filed before Hon'ble Delhi High Court. Criminal proceedings u/s 138 of NI Act are also being pursued vigorously
 - 9.14 Non-current trade receivables includes ₹5.63 crore (₹5.63 crore), excluding contingent assets of ₹7.36 crore (₹5.05 crore) recoverable from one of the business associate for goods sold in earlier years. The company has filed arbitration proceedings against the business associate at ICC Kolkata, which is under process. The company has also initiated the legal proceedings for recovery u/s 138 of the Negotiable Instrument Act against the business associate. 2682 MT stock of raw jute valued ₹7.52 crore (approx.) was pledged by the associate against outstanding. After physical verification of the stocks on 04.04.2017 by High Court appointed Receiver, stock of only 156.92 MT was found. STC lodged FIR no. 160/17 against officials of business associates. Charge sheet No. 88/18 dated 28.02.2018 has been filed by the Investigating Officer at the Hon'ble Howrah Court which is pending trial. As a matter of prudence, full provision for ₹5.63 crore has been created during the current year.
 - 9.15 Trade receivables include an amount of ₹3.44 crore (₹8.14 crore) recoverable from one of the business associates for sale of edible oil. The dues are secured by pledged stock valuing approx ₹12.14 crore as per valuation report. In view of above, no provision is required in the books of accounts.
 - 9.16 Trade receivables includes an amount of ₹10.53 crore (₹10.53 crore), excluding contingent assets of ₹16.15 crore (₹9.86 crore) recoverable from one of the business associate for sale of met coke. A provision of ₹3.58 crore (₹3.33 crore) has been made against the dues. The balance dues are secured by mortgage of free hold land. For recovery of the balance dues, claim has been filed with NCLT through IRP. The company has filed legal and criminal case against the business associate which are being followed up.
 - 9.17 Trade receivables, loans & advances and other current & non-current assets include ₹9.27 crore (₹21.22 crore) which are under dispute/litigation etc. In some cases, there are corresponding payments withheld or receivables relating to commodities handled on account of Government of India. Hence no provision is considered necessary.

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
10	Loans			
	Non-current			
	A. Security Deposits			
	I. Secured, considered good	0.28	0.28	0.28
	II. Unsecured, considered good	3.48	3.44	7.29
	III. Doubtful	4.14	4.14	4.15
	Sub-total	7.90	7.86	11.72
	Less: Allowance for bad and doubtful advances	4.14	4.14	4.15
	Less: Fair value Adjustment-SD	0.01	0.05	0.04
	(A)	3.75	3.67	7.53
	B. Loan to Related Parties			
	I. Secured, considered good	-	-	-
	II. Unsecured, considered good	-	-	-
	III. Doubtful	-	-	-
	Sub-total	-	-	-
	Less: Allowance for bad and doubtful advances	-	-	-
	(B)	-	-	-
	C. Loan to Employees			
	I. Secured, considered good	2.77	3.63	3.62
	II. Unsecured, considered good	0.17	0.41	0.69
	III. Doubtful	-	-	-
	Less: Allowance for bad and doubtful advances	-	-	-
	Less: Fair value adjustments (Loans to employees)	(2.39)	(2.49)	(2.58)
	Add: Interest accrued	5.46	6.22	6.88
	Sub-total	6.01	7.77	8.61
	Total	9.76	11.44	16.14
	Current			
	A. Security Deposits			
	I. Secured, considered good	-	0.50	-
	II. Unsecured, considered good	3.28	1.03	0.06
	III. Doubtful	-	-	-
	Sub-total	3.28	1.53	0.06
	Less: Allowance for bad and doubtful advances	-	-	-
	Less: Fair Value Adjustment-SD	0.05	0.05	0.02
	(A)	3.23	1.48	0.04



NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
B. Loan to Related Parties			
I. Secured, considered good	-	-	-
II. Unsecured, considered good	-	-	-
III. Doubtful	-	-	-
Sub-total	-	-	-
Less: Allowance for bad and doubtful advances	-	-	-
(B)	-	-	-
C. Loan to Employees			
I. Secured, considered good	0.70	0.98	1.17
II. Unsecured, considered good	0.25	0.64	0.79
III. Doubtful	-	-	-
Less: Allowance for bad and doubtful advances	-	-	-
Less: Fair value adjustments (Loans to employees)	(0.20)	(0.23)	(0.29)
Add: Interest accrued	0.95	1.00	0.94
Sub-total	1.70	2.39	2.61
Total	4.93	3.87	2.65
Amount Due from :			
Directors	-	-	-
Other Officers	4.95	6.75	7.04
Amount due from Firms/companies in which directors are partner/member/director	-	-	-
Other Financial Assets			
Non-current			
A. Term deposit with maturity more than 12 months:			
- Term Deposit with banks	1.79	1.69	1.58
- Term Deposit with others	8.29	7.75	7.23
- Interest Accrued on Term Deposits	0.23	0.34	0.33
(A)	10.31	9.78	9.14
B. Claims Recoverable			
I. Secured, considered good	-	-	-
II. Unsecured, considered good	8.74	8.76	10.95
III. Doubtful	97.17	92.78	118.66
Sub-total	105.91	101.54	129.61
Less: Allowance for bad and doubtful advances	97.17	92.78	118.66
(B)	8.74	8.76	10.95

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
C. Deposits	33.98	1.04	0.98
D. Other Misc. advance			
I. Secured, considered good	-	-	-
II. Unsecured, considered good	-	-	-
III. Doubtful	0.36	0.36	0.36
Sub-total	0.36	0.36	0.36
Less: Allowance for bad and doubtful advances	0.36	0.36	0.36
(C)	-	-	-
Total	53.03	19.58	21.07
Current			
a) Interest accrued on:			
- Term deposits with maturity more than 12 months	-	-	-
- Term deposits with maturity more than 3 and upto 12 months	0.03	0.10	-
- Term deposits with maturity less than 3 months	0.01	0.01	-
- Other Deposits (Flexi Deposits)	0.08	-	0.01
	-	-	-
Term Deposit with banks with less than 3 months maturity	-	-	-
More than 3 months less than 12 months	-	-	-
b) Other	0.12	-	0.01
C. Claims Recoverable	-	-	-
I. Secured, considered good	22.58	0.94	0.84
II. Unsecured, considered good	25.77	28.60	13.36
III. Doubtful	-	-	-
Sub-total	48.35	29.54	14.20
Less: Allowance for bad and doubtful advances	-	-	-
(C)	48.35	29.54	14.20
D. Security Deposits			
I. Secured, considered good	-	-	-
II. Unsecured, considered good	-	-	0.96
III. Doubtful	-	-	-
Sub-total	-	-	0.96
Less: Allowance for bad and doubtful advances	-	-	-
(D)	-	-	0.96
Total	48.59	29.65	15.18



NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

- 11.1 Claim recoverable includes ₹7.32 crore (₹7.33 crore) and Rs. 8.29 crore (₹8.22 crore) due from CCIC and HHEC respectively on account of common maintenance charges, property tax. Etc. These are Government of India Undertakings. The Company has received ₹2.68 crore from CCIC and ₹1.17 crore from HHEC during the year 2017-18. Further, provision of ₹4.79 crore has been created against recoverable from HHEC and for the balance, matter has been taken up at higher level and the company is hopeful of receiving its entire dues from above organization.
- 11.2 Claims recoverable (Govt. of India) include ₹73.55 crore (₹73.55 crore) towards import of pulses under Govt. A/c during the years 2006-07 to 2010-11 which was fully provided during the year 2013-14. As approved by Department of Consumer Affairs, reimbursement limit was enhanced from 15% to 20% of the landed cost and period of claim was extended up to 30.09.2011 (i.e. by 6 months). During the financial 2015-16 and 2016-17, STC have received an amount of ₹41.40 crore from DOCA. Further, the reimbursement of remaining claims beyond 20% is being taken up with the DOCA by STC, on actual basis.
- 11.3 Current Claim recoverable includes ₹5.48 crore (₹Nil) recoverable from a supplier of Urea imported on Government Account. Upon inspection of Urea at discharge port, some variations in particle size were observed as compared to agreement provisions. As per the agreement the supplier is liable to pay to STC the claims on account of quality variations. Considering the current status, no provision is required.
- 11.4 Non Current Claim Recoverable includes ₹3.92 Crore (₹3.92 Crore) excluding contingent asset of ₹37.61 crore (₹30.99 crore) recoverable from one of the business associate. The company has filed a legal case against the associate for recovery of the said amount. As per the legal opinion obtained the ultimate outcome of the case may be in favour of company. Hence no provision has been made. Simultaneously there is counter claim against company for an amount of ₹39.41 crore (₹39.41 crore) by an associate. Legal proceedings are going on, As per the legal opinion obtained the ultimate outcome of the case may be in favour of company. Hence no liability has been recognized.

12 Deferred tax assets (Net)

Deferred tax assets and liabilities are attributable to the following:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
A. Deferred Tax Liability	-	-	-
Property, plant and equipment	2.07	2.07	2.07
Intangible assets	-	-	-
Sub Total	2.07	2.07	2.07
B. Deferred tax Assets			
Unabsorbed Depreciation as per Income Tax	-	-	-
Short Term Capital Loss as per Income Tax	-	-	-
Employee benefits	-	-	-
Provisions	75.08	75.08	75.08
Other Disallowance	(0.01)	-	-
Sub Total	75.07	75.08	75.08
C. MAT Credit Entitlement	0.67	4.01	4.82
Net Deferred Tax (Liabilities)/ Assets	73.67	77.02	77.83

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Movement in deferred tax balances during the year ended 31.03.2018

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Opening Balance	73.01	73.01	73.01
Additions during the year	-	-	-
Deletions during the year	-	-	-
Closing Balance	73.01	73.01	73.01
Unrecognised Deferred tax assets			
Deferred tax assets have not been recognised in respect of the following items			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deferred Tax Assets			
Provisions	257.88	222.50	163.20
Carry Forward losses	12.18	12.18	12.18
Other Disallowances	20.35	17.27	11.05.47
Sub Total	290.41	251.95	186.85
Deferred Tax Liabilities			
Property Plant & Equipment	0.25	4.46	4.50
Sub Total	0.25	4.46	4.50
Change in tax rate effect not recognized	3.53	-	-
Total	293.69	247.49	182.35
Recognized MAT credit available to Company			
Financial Year	2017-18	2016-17	2015-16
2014-15 (Amount)	0.67	4.01	4.82
Credit available up to Financial Year	31.03.2025	31.03.2025	31.03.2025

13 Tax Assets (Net)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non Current Tax Assets			
Advance Tax	-	-	-
TDS	-	-	-
MAT credit Entitlement	-	-	-
Non Current Tax Liabilities			
Income Tax Payable/Provision	-	-	-
Total	-	-	-
Current Tax Assets			
Advance Tax including TDS	200.96	277.27	273.10
Current Tax Liabilities			
Income Tax Payable/Provision	190.94	257.60	241.25
Total	10.02	19.67	31.85



NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

14 Other Assets (Non-Financial)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-Current			
A. Capital Advances	-	-	-
I. Secured, considered good	-	-	-
II. Unsecured, considered good	0.27	0.27	-
III. Doubtful	-	-	-
Sub-total	0.27	0.27	-
Less: Allowance for bad and doubtful advances	-	-	-
(A)	0.27	0.27	-
B. Trade Advances			
I. Secured, considered good	-	-	-
II. Unsecured, considered good	-	-	-
III. Doubtful	92.30	92.55	92.55
Sub-total	92.30	92.55	92.55
Less: Allowance for bad and doubtful advances	92.30	92.55	92.55
(B)	-	-	-
C. Other Misc. Advances			
I. Secured, considered good	0.26	0.26	0.26
II. Unsecured, considered good	3.82	4.02	2.40
III. Doubtful	0.63	0.63	0.57
Sub-total	4.71	4.91	3.23
Less: Allowance for bad and doubtful advances	0.63	0.63	0.57
(C)	4.08	4.28	2.66
D. Security Deposits			
I. Secured, considered good	-	-	-
II. Unsecured, considered good	-	-	-
III. Doubtful	0.50	0.50	0.50
Sub-total	0.50	0.50	0.50
Less: Allowance for bad and doubtful advances	0.50	0.50	0.50
(D)	-	-	-
E. Deferred Employee cost due to Fair Valuation	2.39	2.49	2.58
F. Deferred Fair Valuation Loss- Deposit Receivable	0.01	0.05	0.04
G. Claims Recoverable			
i. Secured, considered good	-	-	-
ii. Unsecured, considered good	2.58	6.79	6.78
iii. Doubtful	4.18	-	-
Sub-total	6.76	6.79	6.78
Less: Allowance for bad and doubtful advances	4.18	-	-
(G)	2.58	6.79	6.78
Total	9.33	13.88	12.06

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current			
A. Capital Advances			
I. Secured, considered good	-	-	0.06
II. Unsecured, considered good	-	0.01	0.07
III. Doubtful	-	-	-
Sub-total	-	0.01	0.13
Less: Allowance for bad and doubtful advances	-	-	-
(A)	-	0.01	0.13
B. Trade Advances			
I. Secured, considered good	-	0.02	-
II. Unsecured, considered good	6.66	12.51	2.51
III. Doubtful	-	-	-
Sub-total	6.66	12.53	2.51
Less: Allowance for bad and doubtful advances	-	-	-
(B)	6.66	12.53	2.51
C. Other Misc. Advances			
I. Secured, considered good	-	4.54	-
II. Unsecured, considered good	5.05	6.00	0.15
III. Doubtful	-	-	-
Sub-total	5.05	10.54	0.15
Less: Allowance for bad and doubtful advances	-	-	-
(C)	5.05	10.54	0.15
D. Other			
Prepaid Expenses	0.37	3.22	3.47
TA Advances	0.05	0.06	0.01
Advance for expenses	8.23	7.89	0.36
GST Input	4.58	-	0.29
VAT Receivable - Input/Service Tax Credit	0.01	0.02	-
Other	0.20	0.28	0.53
Deposits	0.04	0.05	0.08
(D)	13.48	11.52	4.74
E. Deffered Employee cost due to Fair Valuation	0.20	0.23	0.29
F. Deffered Fair Valuation Loss- Deposit Receivable	0.05	0.05	0.02
G. Claims Recoverable			
I. Secured, considered good	-	-	-
II. Unsecured, considered good	-	-	0.28
III. Doubtful	0.28	0.28	-
Sub-total	0.28	0.28	0.28
Less: Allowance for bad and doubtful advances	0.28	0.28	-
(G)	-	-	0.28
Total	25.44	34.88	8.12



NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

- 14.1 Non Current Claim recoverable include ₹4.17 crore (₹4.17 crore) from VAT Department for sale of RBD Palmolin under PDS Scheme on behalf of Markfed, Govt. Of Maharashtra (GOM). As a matter of prudence full provision have been made in the books of accounts during the F.Y. 2017-18.
- 14.2 Non-Current Trade advances includes a sum of Rs.87.39 crore (₹87.39 crore), excluding contingent assets of ₹240.96 crore (₹166.53 crore) recoverable from one of the business associates, against which the company has initiated legal actions including criminal proceedings. In this regard, full provision has been made in earlier years. The Company was successful in getting arbitration award for ₹110.00 crore in its favour along with 12% interest per annum from 1st May 2006 till realization of award. However, the party has raised objections to the award before Hon'ble High Court at New Delhi and hearing of the same is in progress.

15 Inventories

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
A. Stock in trade including with handling agents/local agent	0.01	39.46	0.05
B. Stores and spares	0.12	0.06	0.05
C. Loose tools	-	-	-
D. Packing Materials	0.05	0.05	0.05
E. Stationery	0.06	0.10	0.07
F. Others (specify nature).	0.01	0.04	0.20
Total	0.25	39.71	0.42

16 Cash & Cash Equivalents

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Cash in hand	-	-	-
Cheques, Drafts on hand	-	-	0.01
Stamps & Stamp Papers	-	-	-
Balances with Banks	-	-	-
- Cash Credit account - Debit Balance	0.07	1.35	2.31
- Current Accounts	20.52	5.54	5.39
- Current Account in Foreign currency - EEFC	-	-	-
Sub-total (A)	20.59	6.89	7.71
Other Bank Balances			
- Term Deposits with maturity upto 3 months	78.20	0.05	0.44
- Other Deposit with 3 months or less maturity	-	-	0.50
Sub-total (B)	78.20	0.05	0.94
Total	98.79	6.94	8.65

17 Bank Balances

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current			
a. Balances with Banks			
- Unpaid Dividend Balance Account	0.08	0.11	0.20
- As Margin money/under lien	2.27	2.05	-
- In term deposits with maturity more than 3 and upto 12 months	-	-	0.74
Total	2.35	2.16	0.94

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

18 Equity Share Capital

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorized			
Equity shares			
20,00,00,000 equity shares of Rs. 10/- each	200.00	200.00	200.00
Issued, subscribed and fully paid			
Equity shares			
6,00,00,000 equity shares of Rs. 10/- each	60.00	60.00	60.00
	60.00	60.00	60.00

Reconciliation of share Capital:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Opening Equity Shares	60.00	60.00	60.00
Add: No. of Shares, Share Capital issued/ subscribed during the period	-	-	-
Closing balance	60.00	60.00	60.00

Shares in the company held by shareholder holding more than 5 percent

Name of the Shareholder			
- President of India (90% shareholding)	5,40,00,000	5,40,00,000	5,40,00,000
- Others	-	-	-

Equity shares issued and subscribed do not enjoy any differential rights.

19 Other Equity

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
General Reserve			
Balance as per last financial statements	59.88	59.88	59.87
Add: Transfer to General Reserve on account of revaluation of Fixed Asset.	-	-	0.01
Add: Amount Transferred from surplus Balance in the statement of Profit & Loss	-	-	-
Closing Balance	59.88	59.88	59.88
Capital Reserve			
Balance as per last financial statements	1.00	1.00	1.00
Add: Dividends	-	-	-
Closing Balance	1.00	1.00	1.00
Retained Earnings			
Balance as per last financial statements	(121.84)	41.81	44.81
Add/Less : Opening balance transferred to Co	-	-	-
Add: Profit for the year	40.67	(163.64)	-
Transfer from bonus reserve	-	-	-
Transfer to bonus reserve	-	-	-
Adjustment of Componentisation of PPE	-	-	(0.05)
Prior Period Adjustment	-	-	(2.95)
Closing Balance	(81.17)	(121.83)	41.81

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NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Revaluation Reserves			
Balance as per last financial statements	884.60	884.60	884.61
Add: Transfer to General Reserve on account of revaluation of Fixed Asset.	-	-	(0.01)
Add: Any other change	-	-	-
Closing Balance	884.60	884.60	884.60
Exchange Fluctuation Reserves			
Balance as per last financial statements	6.50	6.50	6.50
Add: Any other change	-	-	-
Closing Balance	6.50	6.50	6.50
Bonus Reserve			
Balance as per last financial statements	-	-	-
Transfer to bonus reserve (set on)	-	-	-
Transfer from bonus reserve (set off)	-	-	-
Closing Balance	-	-	-
Total	870.81	830.15	993.79

20 Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non Current			
I. Term Loans:	-	-	-
a. From banks	-	146.28	-
b. From other parties	-	-	-
II. Working Capital Loans:	-	-	-
a. From banks	-	-	-
- Cash Credit	-	-	-
- Packing Credit Pre Shipment	-	-	-
- Packing Credit Post Shipment	-	-	-
- Working Capital Demand Loan	-	-	-
- Working Capital Term Loan	-	-	-
b. From Others	-	-	-
III. Deferred Payment Liabilities	-	-	-
IV. Deposits	-	-	-
V. Loans & Advances from related parties	-	-	-
VI. Long Term Maturities of Finance Lease Obligations	-	-	-
VII. Other loans & advances (specify)	-	-	-
TOTAL	-	146.28	-
Current			
I. Term Loans:	-	-	-
a. From banks	-	-	176.28
b. From other parties	-	-	-
II. Working Capital Loans:	-	-	-
a. From banks	-	-	-
- Cash Credit	1,388.57	1,300.83	1,435.23

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
- Working Capital Demand Loan	208.12	200.00	-
- Working Capital Term Loan	-	-	-
- Packing Credit Pre Shipment	-	-	-
- Packing Credit Post Shipment	-	-	-
- Buyer's Credit	-	-	4.20
b. From Others	-	-	-
III. Loans repayable on Demand:	-	-	-
a. From banks	-	-	-
b. From Others	-	-	-
IV. Deferred Payment Liabilities	-	-	-
V. Deposits	-	-	-
VI. Loans & Advances from related parties	-	-	-
VII. Short Term Maturities of Finance Lease Obligations	-	-	-
VIII. Other loans & advances (specify)	-	-	-
Total	1,596.69	1,500.83	1,615.71
Non Current :			
Secured	-	146.28	-
Unsecured	-	-	-
Total	-	146.28	-
Current :			
Secured	1,596.69	1,500.83	1,615.71
Unsecured	-	-	-
Total	1,596.69	1,500.83	1,615.71

- 20.1 Loans from banks are secured against the current assets of the Company on pari-passu basis.
- 20.2 The company has not serviced the due interest and principal on borrowings of ₹1612.23 crore (including interest accrued of ₹15.60 crore shown under current Liabilities in note no. 22) for more than 90 days from four Banks, therefore these banks had classified borrowings of ₹1612.23 crore to STC account as Non Performing Assets (NPA) during current Financial Year. Total amount defaulted as on 31.03.2018 is ₹615.93 crore.
- 20.3 The Company has submitted to the lenders its resolution plan for re-structuring of working capital loans which is under consideration.
- 20.4 Working capital loans from banks are secured by pari-passu charges over current assets of the Company.
- 20.5 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 twelve 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. Legal actions have been taken for recovery from the associates.

All these have led to temporary financial crunch, operating losses, reduction of net worth. Due to non payment of Loan and interest on borrowings, banks have reported the company account as NPA. The company has appointed financial advisor for restructuring of existing loans and for raising additional working capital loans. The source of current liquidity crunch faced by STC is not structural deficiency but the problem on account of some transactions which the company is trying to resolve. Therefore, the Company has approached its lenders for an appropriate resolution plan with the objective to meet the operations of the company viable and sustainable. The Company is engaged with the lenders for resolution plans.



NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Revival restructuring plan for 2018-19 includes:

1. The company has taken up the matter with Govt. for issuance of letter of Comfort for an amount of ₹500 crore. The funds raised against LOC would be used for executing perpetual Lease deed of office complex Jawahar Vyapar Bhawan (JVB). After executing perpetual Lease deed, there would be substantial increase in value of the property. The company then proposes to raise additional funds against the properties. The adequate support of Ministry of Commerce, Govt. of India, establishes our faith as a going concern entity.
2. Substantial amount is expected to be recovered from various associates in the coming years.
3. 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 steps undertaken from Sr. No. 1 to 3 above, it is believed that the company 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, hence considering the facts given above:-

- a. Accounts have been prepared on going concern basis.
- b. The company continues to account for 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, and
- c. No provision for impairment of non-current assets has been considered necessary.

21 Trade Payable

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non Current			
a) Bill Acceptances	12.34	12.28	12.64
b) Trade Payables	980.95	980.36	1,002.69
c) Others	-	-	-
Total	993.29	992.64	1,015.33
Current			
a) Bill Acceptances	-	-	2.64
b) Trade Payables	215.34	173.95	637.81
c) Others	-	-	5.98
Total	215.34	173.95	646.43

- 21.1 Trade payables includes amount payable to U.P. Government of ₹6.03 crore (₹6.03 crore) (Net of Claim Recoverable ₹2.62 crore) adjustable against various claims of interest and carrying charges amounting of ₹39.11 crore made by company upon U.P. Government and shown as Contingent Assets.

22 Other Financial Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non Current			
a. Advance from customer	1.80	1.80	1.80
b. Customers at Credit	19.80	19.79	15.95
c. Other liabilities	-	-	-
- Outstanding liabilities for goods & services received	4.30	4.96	5.01
- Stale Cheques	-	-	-
- Deposits	8.97	8.90	8.56
- Security Deposits	5.38	7.91	5.94
Less : Security Deposit Payable Adjustment	(1.21)	(2.04)	(2.23)
- Earnest money deposits	1.75	1.81	2.76

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
d. Employees' dues:			
- Pay & Allowances	-	-	0.06
- Dues to employees on accrual basis	-	-	-
- Encashment of earned leaves	11.58	10.62	13.98
- Other expense	-	0.01	-
- Undisbursed Salary	0.01	-	-
e. Remittances:	-	-	-
- STC's employees union	-	-	-
- Thrift Society	-	-	-
Total	52.38	53.76	51.83
Current			
a. Advance from customers	0.23	3.14	-
b. Customers at Credit	58.46	18.08	33.88
c. Unclaimed dividend	0.08	0.11	0.17
d. Investor Education & Protection Fund	-	-	0.03
e. Interest accrued but not due on borrowings	-	1.30	1.62
f. Interest accrued and due on borrowings	21.62	50.37	48.12
g. Current Maturities of Long Term Borrowings	151.28	20.00	-
h. Other liabilities	-	-	-
- Outstanding liabilities for goods & services received	107.88	114.59	137.58
- Outstanding liabilities for goods & services received (PP)	-	-	-
- Deposits	6.16	0.87	1.19
- Stale Cheques	-	0.04	0.04
- Security Deposits	10.98	13.34	4.56
- Security Deposits (Fair Value Adjustment)	(0.06)	-	-
- Earnest money deposits	65.09	64.59	66.18
i. Employees' dues:	-	-	-
- Pay & Allowances	0.11	0.09	0.13
- Other expense	0.30	0.17	0.13
- Dues to employees on accrual basis	0.25	0.28	0.15
- Encashment of earned leaves	2.27	2.43	1.59
- STC's employees union	-	-	-
- STC's Officers' Association	-	-	-
- STC's SC/ST Employees Welfare Association	-	-	-
- Salary Saving scheme	0.01	0.01	0.01
- Thrift Society	0.03	0.03	0.04
- Undisbursed Salary	0.03	0.01	0.01
- Others (Recreational Club)	0.02	0.04	0.05
j. Premium payable on Forward Contract	-	-	0.16
k. Book Overdraft/Stale Cheques	-	-	-
Total	424.74	289.49	295.64



NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

- 22.1 Deposit includes ₹3.69 Crore (₹4.19 Crore) from STCL Limited, a wholly owned subsidiary company.
- 22.2 On the basis of judgment dated 03.02.2016 of Honorable Supreme Court, NDMC vide Assessment orders dated 30.12.2016 and dated 02.01.2017 has re-assessed the rate-able value of Jawahar Vyapar Bhawan. As per the assessment order, STC has to pay ₹80.03 Crore. However, STC has made an interim payment of Rs. 20.00 Crore and ₹2.12 Crore towards revised property tax return for the F.Y. 2016-17. STC represented to NDMC for review of the property tax assessment and also filed two appeals before the District Judge, Patiala House, New Delhi to get the property tax assessment done correctly by NDMC since an incorrect property tax assessment has been done by NDMC. As the matter is sub-judice, against NDMC property tax bill dated 10.12.2017 for the year 2017-18, an amount of Rs. 12.69 crore (₹0.98 & 0.76 recoverable from CCIC & HHEC) is provided towards unpaid property tax in the current year accounts.
- 22.3 The company has not serviced the due interest and principal on borrowings of ₹157.30 crore for more than 90 days from one Bank, therefore the bank had classified borrowings of ₹157.30 crore to STC account as Non Performing Assets (NPA) during current Financial Year. Total amount defaulted as on 31.03.2018 is ₹11.02 crore.

23 Provisions

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non Current			
Provisions for Employee Benefits	-	-	-
Encashment of Half pay leave	9.65	11.21	11.80
Post Retirement medical benefits	95.69	95.60	90.51
Long service awards	-	1.34	1.40
Others	-	-	-
Total	105.34	108.15	103.71
Current			
A. Provisions for Employee Benefits	-	-	-
Encashment of Half pay leave	2.97	3.09	2.28
Post Retirement medical benefits	7.35	6.83	6.44
Long service awards	-	0.19	0.14
Gratuity	8.93	-	0.04
Performance Related Pay	0.01	0.01	0.01
Others (specify nature)	1.28	1.17	1.28
Sub Total (A)	20.54	11.29	10.19
B. Other Provisions	-	-	-
Contingencies	11.27	8.77	5.67
Exchange Difference on Forward Contract	-	-	0.08
Others (specify nature)	-	-	-
Sub Total (B)	11.27	8.77	5.75
Total(A+B)	31.81	20.06	15.94

24 Other Liabilities (Non-Financial)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non Current			
a. Advance from customers	0.06	0.11	0.12
b. Customers at Credit	-	-	-
c. Other liabilities	-	-	-
- Outstanding liabilities for goods & services received	-	-	-
- Stale Cheques	-	-	-

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
- Deposits	-	-	-
- Security Deposits	-	-	-
- Deferred Fair Valuation gain-Deposit Payable	1.17	1.81	2.18
- Earnest money deposits	-	-	-
d. Remittances:	-	-	-
- STC's employees union	-	-	-
- Thrift Society	-	-	-
Total	-	-	-
Total	1.23	1.92	2.30
Current			
a. Advance from customers	70.02	92.15	42.87
a (i) Interest free advance form PSFMC	-	-	-
b. Customers at Credit	-	1.37	-
c. Other liabilities	-	-	-
- Outstanding liabilities for goods & services received	-	-	-
- Stale Cheques	-	-	-
- Liability for CSR	0.02	0.15	0.22
- Deposits	-	-	-
- Security Deposits	-	-	-
- Security Deposits (Deferred fair value gain)	0.09	0.23	0.05
- Earnest money deposits	-	-	-
- Book Overdraft	-	-	-
d. Remittances:	-	-	-
- Professional Tax	0.01	0.01	0.01
- Sales Tax/Value added Tax	-	8.09	0.49
- Service Tax	-	-	0.19
- Income Tax deducted at source	0.85	1.71	1.17
- Goods & Service Tax (GST)	13.56	-	-
- STC's employees union	-	-	-
- STC's Officers' Association	-	-	-
- STC's SC/ST Employees Welfare Association	-	-	-
- Contribution to Provident Fund	1.63	1.78	1.77
- Contribution to Employees Pension Scheme - 95	0.07	0.06	0.06
- Contribution to Employees Pension Fund	0.32	0.33	0.33
- Salary Saving scheme	-	-	-
- Thrift Society	-	-	-
- Others	-	0.03	0.01
Total	86.57	105.91	47.17



NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

- 24.1 Provision for contingencies include ₹1.78 crore (₹Nil). As part provisions for contingencies being made in respect of demurrage payable to one of the business associate as a matter of prudence. However, matter is subjudice with Hon'ble Delhi High Court.
- 24.2 The liability for CSR outstanding as on 31.03.2018 for the earlier years budgeted amount is Nil (Nil). The unspent fund is ₹0.02 crore(₹0.15 crore), which is a committed budget that is carrying forward to the next financial year 2018-19. The committed budget is for Emergency Needs and Administrative Expenses.
- 24.3 Gross amount required to be spent by the company during the year ₹NIL (NIL)

(₹ crore)

S.No.	Nature of Expenditure	Cash Paid	Yet to be paid	Total
1	Construction/ Acquisition of Asset	0.00 (0.003)	0.0 (0.00)	0.00 (0.003)
2	On purpose other than (1) above	0.136 (0.07)	0.014 (0.00)	0.15 (0.07)

- 24.4 Short term provision for contingencies includes ₹9.38 crore (₹8.66 crore) in respect of contract entered into by the company for import of goods on behalf of the associates. The documents tendered by the supplier were forged and fabricated. The company initiated legal proceedings against the associate u/s 138 of NI Act for recovery of dues. However as a matter of abundance prudence, a provision for contingencies has been made in the books of account.

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH, 2018 (Contd.)

25 Revenue From Operations

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
(a) Sales		
Export	265.54	788.86
Imported Goods	10,216.50	6,381.69
Domestic	343.00	581.62
Sub total (A)	10,825.04	7,752.17
(b) Other operating revenue	-	-
Exchange fluctuations- gains	0.54	24.81
Discount on forward Contract	-	0.17
Claims:	-	-
From Govt. of India	19.61	0.04
From Insurance agencies	-	-
From Others	0.09	0.09
Others	20.43	37.21
Sub total(B)	40.67	62.32
Total	10,865.71	7,814.49

26 Other Income

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
(a) Interest income:-	-	-
Advance to Employees	0.56	0.69
- Deposits pledged / under Lien as margin money	0.27	0.24
- Other Deposits	1.04	0.16
Income Tax Refunds	5.17	-
- Other than PCFC / EPC	260.90	232.39
Other Miscellaneous interest	0.92	3.68
Sub Total (A)	268.86	237.16
(b) Miscellaneous income:	-	-
Rent received from Employees	0.12	0.16
Other Receipts	-	-
Sub Total (B)	0.12	0.16
(c) Rental income:	-	-
Rent Received from let-out property	35.64	35.64
Recoveries for common services from tenants	5.64	5.88
Sub Total	41.28	41.52

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NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Less: Expenses related to let out property		
Land & Development office charges@25%	-	-
Property tax/Municipal tax	8.91	6.19
Ground Rent	-	-
Electricity & Water charges	-	-
Rates and Taxes	-	-
Insurance Premium	0.07	0.08
Maintenance Charges	0.57	0.92
Administrative Expenses	0.57	0.86
Sub Total	10.12	8.05
Net rental income (c)	31.16	33.47
(d) Other Receipts:		
Difference in exchange other than commodity items	0.02	0.40
Misc. non Trade receipts	2.14	0.77
Amortisation income of Deferred employee advances	0.31	0.36
Amortisation income of Deferred Security deposit	0.82	0.55
Sub Total (d)	3.29	2.08
Total	303.43	272.87

26.1 Other Income include interest of 259.47 crore (FY 2016-17 ₹231.93 Crore) recoverable from one of the business associate with whom conciliation agreement has been signed which has been held as final by Hon'ble Supreme Court. Dues are secured by EMD of ₹29.73 crore and the personal guarantee of Chairman of its holding company. The case for enforcement of decree is continuing with Hon'ble Supreme Court. During the year, the business associate remitted an amount of ₹100.00 crore with the knowledge of Hon'ble Supreme Court. Considering the status of case in the Hon'ble Supreme Court, the management is hopeful that the associate may come out with settlement proposal for repayment of entire dues to STC. Next date of hearing is 04.07.2018. Hence the debt is good and interest accrued thereon is recognized as income.

27 Cost of Materials consumed

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Opening balance of material	0.05	0.05
Add: Purchases made during the Year	0.01	0.04
Less: Closing balance of material	0.05	0.05
Total	0.01	0.04

28 Purchase of Stock-in-Trade

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Export Purchase	250.40	741.50
Import Purchase	9,235.03	6,042.28

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Domestic Purchase	339.15	574.66
Freight -Road	-	-
-Rail	-	0.70
-Marine	9.98	29.82
Freight Reimbursement	2.75	23.67
Exchange fluctuation -loss	-	-
Insurance - General	0.25	0.17
- Marine	-	0.42
- Self insurance	-	-
Customs Duty	956.86	396.53
Clearing, Handling, Survey fee, port & Other Charges	2.94	4.65
Sales Tax/Sur Charge on Sales Tax/VAT	0.07	0.25
Other Expenses	0.03	-
Octroi/Purchase Tax Reimbursement	0.04	0.90
Total	10,797.50	7,815.55

29 Changes in Inventory

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
A. Finished Goods		
At the beginning of Year	-	0.03
Less : At the end of Year	-	-
(A)	-	0.03
B. Stock-In-Trade		
At the beginning of Year	39.46	0.18
Less : At the end of Year	0.02	39.46
(B)	39.44	(39.28)
Changes in Inventory	39.44	(39.25)

30 Employees' Benefit Expenses

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
(a) Remuneration to Staff & Managers		
Salaries and Allowances	62.65	66.41
Encashment of Earned Leave	3.41	4.24
Encashment of Half Pay Leave	(0.45)	0.67
Residential Rent	-	-
Provident fund	4.89	5.06

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NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Employees pension scheme 95 (EPS 95)	0.77	0.85
Bonus	-	-
Performance Related Pay	-	-
	-	-
- Medical Expenses on regular employees (OPD)	1.58	2.14
- Medical Expenses on regular employees (IPD)	2.62	2.94
- Medical Expenses on retired employees (OPD)	3.05	3.09
- Medical Expenses on retired employees (IPD)	6.05	5.92
- Medical Expenses on Actuarial liability	0.61	5.45
- Long Service Award including at the time of Retirement	0.01	0.14
- Others	0.71	1.36
Gratuity	14.64	2.09
Pension	4.21	4.37
Amortisation expenses of Deferred employee cost	0.10	0.15
Voluntary retirement benefit	-	-
Overtime allowance to staff	-	-
Sub Total	104.85	104.88
(b) Remuneration to Directors		
Salaries and Allowances	1.29	1.33
Encashment of Earned Leave	0.07	0.17
Encashment of Half Pay Leave	0.04	0.19
Residential Rent	-	-
Provident fund	0.08	0.12
Employees pension scheme 95 (EPS 95)	-	0.01
Performance Related Pay	-	-
Welfare Expenses:	-	-
- Medical Expenses on regular employees (OPD)	0.01	0.02
- Medical Expenses on regular employees (IPD)	-	0.01
- Medical Expenses on retired employees (OPD)	0.05	0.05
- Medical Expenses on retired employees (IPD)	0.19	0.08
- Medical Expenses on Actuarial liability	0.01	0.03
- Others	-	-
Gratuity	0.25	0.03
Pension	0.06	0.07
Voluntary retirement benefit	-	-
Sub Total	2.05	2.11
Total	106.90	106.99

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

31 Finance Cost

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Bank Loan :	-	-
- Working capital Demand Loan (WCDL)	44.15	36.02
- Cash Credit	134.03	122.62
- Export packing credit/PCFC	-	-
- BAS/External Commercial borrowing	-	-
Business associates:	-	-
- Deposits pledged / under Lien as margin money	-	0.12
- Other Deposits	0.25	0.03
Income Tax	-	0.02
TDS/TCS	-	-
VAT	-	-
Micro, small & medium enterprises	-	-
Loan Processing charges	(0.26)	0.35
Exchange fluctuation on borrowing	-	-
Credit Rating Expenses	0.08	0.09
Others	0.43	0.03
Total	178.68	159.28

32 Depreciation And Amortization Expenses

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Depreciation on Property Plant & Equipment (PPE)		
Freehold Building	5.35	5.36
Plant & Machinery	0.61	0.61
Furniture & Fixtures	0.15	0.16
Motor Vehicle	0.12	0.10
Office Equipment	0.11	0.12
Computers, data processing units & communication equipment	0.25	0.25
Electrical Installations & Equipment	0.37	0.27
Leasehold Land	0.20	0.21
Leasehold Building	3.37	3.60
Roads, culverts & sewerage etc (Leasehold)	0.02	0.02
Plant & Machinery (Leasehold)	0.34	0.35
Others (specify nature)	0.07	0.07
Sub Total	10.96	11.12



NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Depreciation on investment property :		
Freehold Building	0.09	0.08
Leasehold Land	0.63	0.63
Leasehold Building	4.10	4.10
Sub Total	4.82	4.81
Amortisation on intangible Assets	-	
Computer software	0.03	0.01
Others	-	-
Sub Total	0.03	0.01
Impairment	-	-
Impairment on PPE (Freehold building)	0.19	-
Impairment on IP (Freehold building)	0.02	-
Sub Total	0.21	-
Total	16.02	15.94

33 Other Expenses

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
(a) Other Operating Expenses		
L/C Negotiation & Bank Charges	0.85	0.95
Godown, Plot, Tank Rent	1.42	1.71
Claims Paid	-	-
Commission on Sales	-	-
Delivery charges	0.36	0.36
Cost of Tender	0.04	0.10
Others	0.03	-
Sub total	2.70	3.12
(b) Administration expenses		
Office Rent	2.57	3.04
Rates and Taxes:	-	-
- Property Tax to Municipal Corporation	2.40	1.71
- Wealth Tax	-	-
- Others	0.02	0.02
Electricity and Water Charges	2.52	2.55
Printing and Stationery	0.28	0.48
Postage, Telegram, Teleprinter & Telex	0.10	0.12
Telephones	0.74	1.08

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Books and Yearicals	0.01	0.02
Repairs	-	-
- Building	-	0.06
- Plant and Machinery	-	-
- Others	0.24	0.28
Travelling Expenses	0.84	1.77
Housing Colony Expenses	2.36	2.59
Service Vehicle Expenses		0.80
Insurance Premium	0.14	0.13
Auditors' Remuneration	-	-
- Statutory Audit Fees	0.14	0.16
- Tax Audit Fees	0.07	0.08
- Certification fees	0.03	0.03
- Other charges - TA/DA etc.	-	-
HRD Expenses	0.04	0.23
Information Technology Expenses	0.17	0.17
Information Technology Expenses (Prior Year)	-	-
Conveyance Expenses	0.02	0.07
Maintenance of Office Building	1.06	1.03
Misc. Office expenses	3.56	4.00
Misc. Office expenses (Prior Year)	-	-
Goods & Service Tax (GST) not to be set off	0.10	-
Sub total	17.70	20.42
(c) Trade Expenses		
Legal & Professional Expenses	4.32	7.35
Legal & Professional Expenses (Prior Year)	-	0.06
Advertisement & Publicity	0.15	0.55
Exchange Fluctuations other than commodity items	0.07	0.07
Bank Charges	1.19	0.75
Entertainment expenses	0.17	0.33
Hospitality and Public Relations	0.01	0.09
Corporate Social Responsibility & Sustainable Development	-	-
Other Trade Expenses	0.23	1.26
Sub total	6.14	10.46

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NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
(d) Amortization Expenses		
Amortisation expenses of Deferred employee advances	0.21	0.21
Amortisation expenses of Deferred Security deposit	0.82	0.55
Total	27.57	34.76

34 Exceptional items

(a) Expenses		
Loss on sale of Property, Plant & Equipment (PPE)	0.01	0.02
Loss on sale of Investment	-	-
Impact of legislative change with retrospective application	-	-
Litigation settlement	-	45.42
Loss of assets due to floods	-	0.06
Total (a)	0.01	45.50
(b) Write Offs		
Trade Receivables	-	0.50
Claims	-	0.01
Loans and Advances	-	0.20
Deposits	0.16	-
Assets	0.11	0.10
Investments	-	-
Total (b)	0.27	0.81
(c) Provision for Doubtful debts, Loans and advances & Investment		
Trade Receivables	6.42	195.71
Claims	9.43	4.73
Loans and Advances	-	-
Deposits	-	0.37
Investment	-	-
Total (c)	15.85	200.81
(d) Income		
Profit on Sale of PPE	0.08	0.80
Profit on sale of Investment	-	-
Liabilities Created in previous years written back:	-	-
- Statutory	-	-
- Others	3.04	67.71
Provision Written back for doubtful amounts realized:	-	-
-Trade Receivables	41.55	1.20

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
-Claims	0.06	27.16
-Loans and Advances	0.25	
-Deposits	-	0.30
Provision Written back for doubtful amounts written off:		
-Trade Receivables	-	0.42
-Claims	-	0.01
-Loans and Advances	-	-
-Deposits	-	-
-Assets	-	-
-Investments	-	-
Claim Income Received	-	0.10
Prior Year Items	-	-
Write back of unclaimed credit balances	0.38	5.56
Total (d)	45.36	103.26
Total (a+b+c-d)	(29.23)	143.86

35 Tax Expense

Tax recognised in Statement of profit and loss

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Current income tax		
Current year	3.43	15.44
Adjustments for prior years	(8.70)	0.57
Sub Total (A)	(5.27)	
Deferred tax expense		
Origination and reversal of temporary differences	-	-
Changes in tax rate	-	-
Change in accounting policy	-	-
Sub Total (B)	-	-
Total (A+B)	(5.27)	16.01

A. Tax recognised in other comprehensive income

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Defined benefit plan actuarial gains (losses)	1.67	1.16
Total	1.67	1.16

B. Reconciliation of effective tax rates

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Profit before tax	32.25	(149.81)
Tax using the company's domestic tax rate @ 34.608%	11.16	(51.85)

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NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Particulars	As at March 31, 2018	As at March 31, 2017
Prior period income adjustments	-	(0.71)
Tax Effect of :		
Permanent Differences	(2.94)	(7.62)
Unrecognised deferred tax assets/(Liabilities)	(4.79)	75.62
Tax Expenses for the year	3.43	15.44
B. Tax Losses Carried forward		
Particulars	As at March 31, 2018	Balance Period
Unused Tax Losses for which no deferred Tax Assets have been recognized:		
Business Loss carried forward for F.Y. 2012-13	7.04	3 Years
Business Loss carried forward for F.Y. 2013-14	17.84	4 Years
Unabsorbed Depreciation	10.32	No Limit
Total	35.20	
C. As per Finance Act 2018, the Government has levied health & education cess of 4% on applicable income Tax (30%) & Surcharge (12%) w.e.f. A.Y. 2019-20. Hence Deferred Tax as on 31.03.2018 is calculated @ 34.944%		

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Disclosure requirements of Indian Accounting Standards

36 First Time adoption of Ind-AS Transition from IGAAP to Ind AS

These financial statements, for the year ended March 31, 2018, are first financial statements prepared by company in accordance with Ind AS. For years upto and including the year ended March 31, 2017, the company prepared its financial statements in accordance with IGAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

Accordingly, the company has prepared Ind AS compliant financial statements for year ending on March 31, 2018. In preparing these financial statements, the company has prepared opening Ind AS balance sheet as at 1st April, 2016 the company's date of transition to Ind-AS in accordance with requirement of Ind AS 101, "First time Adoption of Indian Accounting Standards". The principal adjustments made by the company in restating its IGAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017 are quantified and explained in the Ind-AS reconciliation statement (36.1 to 36.7). However the basic approach adopted is summarized hereunder:

- i) All assets and liabilities have been classified into financial assets/liabilities and non-financial assets/liabilities.
- ii) All non-current financial assets/liabilities at below market rate of interest or zero interest and outstanding as on 1st April, 2016 have been measured at fair value.
- iii) In accordance with Ind AS 101, the resulting adjustments are considered as arising from events and transactions entered before date of transition and recognized directly in the retained earnings at the date of transition to Ind AS.
- iv) The estimates as at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with IGAAP (after adjustments to reflect any differences in accounting policies).
- v) Ind AS 101 also allows first time adopter certain exemptions from the retrospective application of certain requirements under Ind AS. Accordingly, the company has availed the following exemptions/mandatory exceptions as per Ind AS 101

Exemptions:

a) Deemed Cost for Property, Plant & Equipment and Intangible Assets:

The company has availed exemption under para D7AA of appendix D to Ind AS 101 which permits a first time adopter to continue with the carrying values for its PPE as at date of transition to Ind ASs measured as per previous GAAP.

b) Investment in subsidiary, joint ventures and associates:

The company has elected to apply previous GAAP carrying amount of its investment in Subsidiaries, Associate, Joint venture as deemed cost as on the date of transition to Ind AS.

c) Fair value measurement of financial assets and liabilities at initial recognition:

The Company has financial receivables and payables that are non-derivative financial instruments. Under previous GAAP, these were carried at transactions cost less allowances for impairment, if any. Under Ind AS, these financial assets and liabilities are initially recognized at fair value and subsequently measured at amortized cost, less allowance for impairment, if any. For transactions entered into on or after the date of transition to Ind AS, the requirement of initial recognition at fair value is applied prospectively.

Exceptions:

a) Classification & measurement of financial assets:

The company has applied para B8C of Appendix B the fair value of financial assets and financial liability at the date of transition to Ind AS assumed to be the new gross carrying amount of the that financial assets or the new amortized cost of that liability at the date of transition to Ind AS.

b) Impairment of financial assets:

The company has availed exception under para B8D of appendix B which permits the first time adopter to apply the impairment requirement of Ind AS 109 prospectively.



NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

NOTE 36: DISCLOSURE REQUIREMENTS OF INDIAN ACCOUNTING STANDARDS

36.1 Reconciliation of Equity as at April 1, 2016

(₹ in Crore)

	Particulars	Note	Indian GAAP	Adjustments	Ind AS
I	ASSETS				
1	Non current assets				
	(a) Property, Plant and Equipment	4	945.27	(310.01)	635.26
	(b) Capital work-in-progress	5	0.48	-	0.48
	(c) Investment property	6	-	309.19	309.19
	(d) Other Intangible assets	7	0.03	-	0.03
	(e) Financial Assets		-	-	-
	(i) Investments	8	0.01	-	0.01
	(ii) Trade Receivables	9	1,068.82	-	1,068.82
	(iii) Loans	10	18.76	(2.62)	16.14
	(iii) Other Financial Assets	11	21.07	-	21.07
	(f) Deferred tax assets (net)	12	73.01	4.82	77.83
	(g) Tax assets (net)	13	-	-	-
	(h) Other non current assets	14	9.44	2.62	12.06
	Sub Total		2,136.89	4.00	2,140.89
2	Current assets				
	(a) Inventories	15	0.42	-	0.42
	(b) Financial Assets		-	-	-
	(i) Current investments	8	-	-	-
	(ii) Trade receivables	9	2,639.15	-	2,639.15
	(iii) Cash and cash equivalents	16	8.65	-	8.65
	(iv) Bank Balances other (iii) above	17	0.94	-	0.94
	(v) Loans	10	2.96	(0.31)	2.65
	(vi) Other Financial Assets	11	14.77	0.41	15.18
	(c) Tax Assets (net)	13	36.67	(4.82)	31.85
	(d) Other current assets	14	7.81	0.31	8.12
	Sub Total		2,711.37	(4.41)	2,706.96
	Total		4,848.26	(0.41)	4,847.85
	EQUITY AND LIABILITIES				
	Equity				
	(a) Equity Share capital	18	60.00	-	60.00
	(b) Other Equity	19	996.79	(3.00)	993.79
	Sub Total		1,056.79	(3.00)	1,053.79
	Liabilities				
	Non- current liabilities				
	(a) Financial Liabilities				

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

	Particulars	Note	Indian GAAP	Adjustments	Ind AS
	(i) Borrowings	20	-	-	
	(ii) Trade Payables	21	1,015.33	-	1,015.33
	(iii) Other financial liabilities	22	51.83	-	51.83
	(b) Provisions	23	103.71	-	103.71
	(c) Deferred tax liabilities (Net)	12	-	-	-
	(d) Tax liabilities (Net)	13	-	-	-
	(e) Other non-current liabilities	24	2.12	0.18	2.30
	Sub Total		1,172.99	0.18	1,173.17
2	Current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	20	1,615.71	-	1,615.71
	(ii) Trade Payables	21	647.47	(1.04)	646.43
	(iii) Other financial liabilities	22	295.54	0.10	295.64
	(b) Provisions	23	15.94	-	15.94
	(c) Tax liabilities (Net)	13	-	-	-
	(d) Other current liabilities	24	43.82	3.35	47.17
	Sub Total		2,618.48	2.41	2,620.89
	Total		4,848.26	(0.41)	4,847.85

36.2 Reconciliation of Equity as at March 31, 2017

(₹ in Crore)

	Particulars	Note	Indian GAAP	Adjustments	Ind AS
I	ASSETS				
1	Non current assets				
	(a) Property, Plant and Equipment	4	931.23	(314.04)	617.19
	(b) Capital work-in-progress	5	0.98	-	0.98
	(c) Investment property	6	-	313.02	313.02
	(d) Other Intangible assets	7	0.02	-	0.02
	(e) Financial Assets		-	-	-
	(i) Investments	8	0.01	-	0.01
	(ii) Trade Receivables	9	980.63	-	980.63
	(iii) Loans	10	13.98	(2.54)	11.44
	(iii) Other Financial Assets	11	19.58	-	19.58
	(f) Deferred tax assets (net)	12	73.01	4.01	77.02
	(g) Tax assets (net)	13	-	-	-
	(h) Other non current assets	14	11.34	2.54	13.88
	Sub Total		2,030.78	2.99	2,033.77
	Current assets				
	(a) Inventories	15	39.71	-	39.71
	(b) Financial Assets		-	-	-

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NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(Amount in ₹ Crore)

	(i) Current investments	8		-	-
	(ii) Trade receivables	9	2,112.49	-	2,112.49
	(iii) Cash and cash equivalents	16	6.94	-	6.94
	(iv) Bank Balances other (iii) above	17	2.16	-	2.16
	(v) Loans	10	4.15	(0.28)	3.87
	(vi) Other Financial Assets	11	29.65	-	29.65
	(c) Tax Assets (net)	13	23.68	(4.01)	19.67
	(d) Other current assets	14	34.61	0.27	34.88
	Sub Total		2,253.39	(4.02)	2,249.37
	Total		4,284.17	(1.03)	4,283.14
I.	EQUITY AND LIABILITIES				
	Equity				
	(a) Equity Share capital	18	60.00	-	60.00
	(b) Other Equity	19	831.25	(1.10)	830.15
	Sub Total		891.25	(1.10)	890.15
	Liabilities				
1	Non- current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	20	146.28	-	146.28
	(ii) Trade Payables	21	992.64	-	992.64
	(iii) Other financial liabilities	22	55.80	(2.04)	53.76
	(b) Provisions	23	108.15	-	108.15
	(c) Deferred tax liabilities (Net)	12	-	-	-
	(d) Tax liabilities (Net)	13	-	-	-
	(e) Other non-current liabilities	24	0.11	1.81	1.92
	Sub Total		1,302.98	(0.23)	1,302.75
2	Current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	20	1,500.83	-	1,500.83
	(ii) Trade Payables	21	173.95	-	173.95
	(iii) Other financial liabilities	22	289.42	0.07	289.49
	(b) Provisions	23	20.06	-	20.06
	(c) Tax liabilities (Net)	13	-	-	-
	(d) Other current liabilities	24	105.68	0.23	105.91
	Sub Total		2,089.94	0.30	2,090.24
	Total		4,284.17	(1.03)	4,283.14

Previous GAAP Figures have been reclassified to conform to Ind AS Presentation requirements for the purpose of this note.

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

36.3 Reconciliation of total comprehensive income for the year ended March 31, 2017

(₹ in Crore)

	Particulars	Note No.	Year Ended March 31, 2017	Adjustments	Ind AS
	Income				
i)	Revenue From Operations	25	7,814.49	-	7,814.49
ii)	Other Income	26	271.83	1.04	272.87
	Total Income (I)		8,086.32	1.04	8,087.36
	Expenses				
i)	Cost of material consumed	27	0.04	-	0.04
ii)	Purchase of Stock in Trade	28	7,815.55	-	7,815.55
iii)	Change in inventory	29	(39.25)	-	(39.25)
iv)	Employees' Benefit Expenses	30	103.48	3.51	106.99
v)	Finance Cost	31	158.93	0.35	159.28
vi)	Depreciation & Amortization Expenses	32	15.77	0.16	15.94
vii)	Other Expenses	33	34.30	0.46	34.76
	Total expenses (II)		8,088.82	4.48	8,093.31
	Profit/(loss) before exceptional items and tax (I-II)		(2.50)	(3.45)	(5.95)
	Exceptional Items (Income)/Expenditure	34	143.73	0.13	143.86
	Prior Periods -(Income)/Expenditure	34	2.14	(2.14)	-
	Profit Before Tax		(148.37)	(1.44)	(149.81)
	Tax expense	35			
	(i) Current tax				
	(ii) Deferred tax		17.17	(1.15)	16.01
	Profit/(loss) for the period from continuing operations		(165.54)	(0.29)	(165.82)
	Profit/(loss) from discontinued operations		-	-	-
	Tax expense of discontinued operations		-	-	-
	Profit/(loss) from discontinued operations after tax		-	-	-
I	Profit/(loss) for the Year (A)		(165.54)	(0.29)	(165.82)
II	Other Comprehensive Income				
i)	Items that will not be reclassified to profit or loss				
	- Remeasurements of the defined benefit plans		-	3.34	3.34
	- Income Tax on above		-	(1.16)	(1.16)
ii)	Items that will be reclassified to profit or loss		-	-	-
	Other Comprehensive Income net of Tax (B)		-	2.19	2.19
	Total Comprehensive Income for the period (A+B)		(165.54)	1.90	(163.64)



NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

36.4 Reconciliation of total Equity as at March 31, 2017 and April 1, 2016

Particulars	Year Ended March 31, 2017	April 1, 2016
Total Equity (Shareholders fund as per previous GAAP)	891.25	1,056.79
Adjustments:		
Prior Period error	(0.89)	(2.95)
Depreciation	(0.21)	(0.05)
Total Adjustments	(1.10)	(3.00)
Total Equity as per Ind AS	890.15	1,053.79

36.5 Reconciliation of total comprehensive income for the year ended March 31, 2017

Particulars	Year Ended March 31, 2017
Profit after tax as per previous GAAP	(165.54)
Adjustments	
Actuarial Loss/(gain) on defined plans recognised in other comprehensive income	(3.34)
Effect of prior period item -expense/(Income)	2.06
Effect on Depreciation & Amortization expenses	(0.16)
Tax expense impact	1.15
Total Adjustments	(0.29)
Profit (after Tax) for the period under Ind AS	(165.83)
Other comprehensive income (net of tax) (actuarial Loss/gain on defined benefit plans)	2.19
Total comprehensive income under Ind AS	(163.64)

Impact on Cash flow statement on adoption of Ind AS

Particulars	Note No.	Year Ended March 31, 2017	Adjust- ments	Ind AS
Net cash flow from operating activities		69.52	3.64	73.16
Net cash flow from Investing activities		30.94	0.14	31.08
Net cash flow from financing activities		(101.87)	(4.08)	(105.95)
Net Increase/(Decrease) in cash and cash equivalent		(1.41)	(0.30)	(1.71)
Cash and cash equivalent as on April 1, 2016		8.41	0.24	8.65
Cash and cash equivalent as on March 31, 2017		7.00	(0.06)	6.94

36.6 Derivative Financial Instruments

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Assets	-	-
Liabilities	-	-
Bifurcation above derivative instruments in current and non-current	-	-

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

36.7 Foreign Currency Exposure

Particulars	For the year ended March 31, 2018		
	Foreign Currency	Amount in Foreign Currency	Amount in indian Rupees
ETA Dubai - Receivable	USD	0.01	0.44
Various Foreign Supplier- Receivable	USD	0.02	1.54
Gargill International -Receivable	USD	0.02	1.28
GASC, Egypt- Receivable	USD	0.06	3.91
Various Foreign Supplier- Payable	USD	0.20	12.81
Demmurage Payable (ADM-Asia)	USD	0.03	1.78
Helm Dunemittel-Payable	USD	0.01	0.47
Helm Dunemittel-Receivable	USD	0.02	1.22
Yashita Exports, Red Sanders, Export EMD-Payable	USD	0.00	0.20
Yashita Exports, Red Sanders, Export PBG-Payable	USD	0.01	0.52
M/S IGEDC, Iran, Export of Steel Plates-Receivable	EURO	0.12	9.30
Malayan Bank (Millennium Wires), Import of Copper Roads - Payable	USD	0.17	11.38
Import Payables	USD	0.00	0.31
Amount payable to foreign supplier	USD	0.19	12.34
Mumbai	USD	31.38	1392.85
Mumbai	EURO	0.09	5.17
Total		32.33	1455.52

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NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Particulars	For the year ended March 31, 2017		
	Foreign Currency	Amount in Foreign Currency	Amount in Indian Rupees
ETA Dubai - Receivable	USD	0.01	0.44
Various Foreign Supplier- Receivable	USD	0.02	1.54
Gargill International -Receivable	USD	0.02	1.28
GASC, Egypt- Receivable	USD	0.15	9.95
Various Foreign Supplier- Payable	USD	0.20	12.76
Helm Dunemittel- Payable	USD	0.01	0.47
Helm Dunemittel- Receivable	USD	0.02	1.21
Boeing- Receivable	USD	0.00	0.16
Cela Sri- Payable	EURO	0.01	0.65
Shimadzu- Payable	USD	0.01	0.61
Thermo Fisher Scientific GMBH- Payable	EURO	0.01	0.69
Yashita Exports, Red Sanders, Export EMD	USD	0.00	0.20
Yashita Exports, Red Sanders, Export PBG	USD	0.01	0.52
M/S IGEDC, Iran, Export of Steel Plates	EURO	0.12	7.98
Malayan Bank (Millennium Wires), Import of Copper Roads	USD	0.16	10.65
Weapons-Payable	USD	0.00	0.21
Weapons-Payable	EURO	0.03	2.13
Glock Plc, USA (Ex.Rate is taken at Rs.64.97/USD as at 31.03.2017)	USD	0.00	0.02
Amount payable to foreign supplier	USD	0.19	12.28
Mumbai	USD	31.38	1392.85
Mumbai	EURO	0.09	5.17
Total		32.44	1461.77

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Particulars	For the year ended March 31, 2016		
	Foreign Currency	Amount in Foreign Currency	Amount in Indian Rupees
ETA Dubai - Receivable	USD	0.01	0.45
Various Foreign Supplier- Receivable	USD	0.02	1.57
Gargill International -Receivable	USD	0.02	1.30
Various Foreign Supplier- Payable	USD	0.20	13.12
Helm Dunemittel- Payable	USD	0.01	0.49
Helm Dunemittel- Receivable	USD	0.02	1.23
Cela Sri- Payable	EURO	0.01	0.71
Leica- Payable	EURO	0.01	0.39
Kassbohrer- Payable	EURO	0.00	0.27
Lafayette - payable	USD	0.00	0.15
Yashita Exports	USD	0.00	0.20
Yuyao Shenghao International	USD	0.00	0.13
Yashita Exports	USD	0.02	1.09
Yuyao Shenghao International	USD	0.01	0.83
Zhongshan Guzhen	USD	0.01	0.88
Yashita Exports	USD	0.08	5.29
Yuyao Shenghao International	USD	0.06	3.97
Zhongshan Guzhen	USD	0.10	6.87
UST Labinsky	USD	0.00	0.08
Import Payables	USD	0.03	2.22
Saraiwalla Agrr Refineries Ltd	USD	0.34	22.92
M/s.Aggarwal Industries Ltd	USD	0.13	8.48
M/s.Aggarwal Industries Ltd	USD	0.07	4.38
Amount payable to foreign supplier	USD	0.19	12.64
Total		1.34	89.66



NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 DISCLOSURE REQUIREMENTS OF INDIAN ACCOUNTING STANDARDS

37 Trade Payables

(Amount in ₹ Crore)

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as under :

Particulars	2017-18	2016-17	April 1, 2016
Principal amount due to suppliers under MSMED Act, 2006	-	0.02	0.02
Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid	-	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during year	-	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-	-
Interest accrued and remaining unpaid at the end of each of the year to suppliers under MSMED Act	-	-	-

The information has been given in respect of such vendors to the extent they could be identified as micro, small and Medium enterprises on the basis of information available with the Company.

38 Disclosure in respect of Indian Accounting Standard (Ind AS)-37 "Provisions, Contingent Liabilities and Contingent Assets"

(i) Provisions

(Amount in ₹ Crore)

Particulars	Opening balance as on 01.04.17	Additions/Transfers during the year	Utilization during the year	Adjustment during the year	Written-back during the year	Closing balance as on 31.03.18
Business Associate 1	-	1.78	-	-	-	1.78
Business Associate 2	8.66	0.72	-	-	-	9.38
Business Associate 3	0.11	-	-	-	-	0.11
Total	8.77	2.50	-	-	-	11.27

Particulars	Opening balance as on 01.04.16	Additions/Transfers during the year	Utilization during the year	Adjustment during the year	Written-back during the year	Closing balance as on 31.03.17
Business Associate 2	5.56	3.10	-	-	-	8.66
Business Associate 3	0.11	-	-	-	-	0.11
Business Associate 4	0.08	-	-	(0.08)	-	-
Total	5.75	3.10	-	(0.08)	-	8.77

Business Associate 1:

Provision for contingencies include ₹1.78 crore (Rs. Nil). As part provisions for contingencies being made in respect of demurrage payable to one of the business associate as a matter of prudence. However, matter is subjudice with Hon'ble Delhi High Court.

Business Associate 2:

Short term provision for contingencies includes ₹9.38 crore (₹8.66 crore) in respect of contract entered into by the company for import of goods on behalf of the associates. The documents tendered by the supplier were forged and fabricated. The company initiated legal proceedings against the associate u/s 138 of NI Act for recovery of dues. However as a matter of abundance prudence, a provision for contingencies has been made in the books of account.

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(ii) Contingent Liabilities:

(Amount in ₹ Crore)

Particulars	31.03.2018	31.03.2017	April 1, 2016
Claims against the company not acknowledged as debt	997.74	988.50	2,117.84
Guarantees excluding Financial Guarantee	-	14.84	18.20
Other money for which the company is contingently liable	8.66	8.73	8.46
Others, details required	857.02	821.48	1,349.16
Total	1,863.42	1,833.55	3,493.66

- 38.1 The above claims/Demand are at various stages of appeal and in the opinion of the company are not tenable. Further, in some of the cases amounts included under Contingent liabilities related to commodities handled on govt. of india Account and liabilities, if any would be recoverable from Govt. of India.
- 38.2 Contingent liability is not updated by determining and including of interest by Mumbai Branch. Certain supporting documents of contingent liability were not available at Mumbai Branch.
- 38.3 Contingent liabilities include an amount of ₹83.32 crore (₹74.92 crore) along with interest payable to a foreign supplier on account of import of Urea in earlier years. In this case, arbitration award has been passed in favour of foreign supplier. The company has filed an appeal against the arbitration award in the Hon'ble Delhi High Court and Company deposited ₹33.05 crore with court as per direction of Delhi High Court. Court proceedings are completed and Court judgement is reserved. The transaction was undertaken on behalf of Deptt. of Fertilizer. (DOF), and is being regularly followed up. Hence, no provision is considered necessary.
- 38.4 Contingent liabilities include an amount of ₹90.73 crore (₹88.01 crore) along with interest payable to a foreign supplier on account of import of pulses in earlier years as per award of arbitral tribunal passed in favour of foreign supplier. The company has filed an appeal against the Tribunal award in the Hon'ble Delhi High Court. This transaction was undertaken on behalf of Ministry of Consumer Affairs (MOCA), hence the corresponding claim is made with MOCA, which is being regularly followed up.

(iii) Contingent Assets:

If it is probable that there will be inflow of the economic benefits, disclosure shall be made for contingent asset stating the brief description of the nature of the contingent asset. If possible, estimated financial effect shall also be disclosed.

(Amount in ₹ Crore)

Particulars	31.03.2018	31.03.2017	April 1, 2016
Claims	117.73	111.13	109.55
Counter Claims	-	-	-
Bills Receivable	-	-	-
Advances	273.59	282.79	357.23
Trade Receivables	1,591.37	1,351.08	1,127.29
Others, details required	377.67	311.78	191.31
Excess Interest Charged by Banks (Normal & Penal)	0.45	0.52	-
Total	2,360.81	2,057.30	1,785.38

39 Commitments

(Amount in ₹ Crore)

Particulars	31.03.2018	31.03.2017	April 1, 2016
Capital Commitments: (Details to be provided hereunder)			
PPE	7.29	15.79	14.99
Intangible Assets	0.29	-	-
Total	7.58	15.79	14.99
Other Commitments	0.92	-	-
Total	0.92	-	-



NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

40 Disclosures in respect of Ind AS 107 - Financial Instruments

40.1 Financial Instruments by Categories

The carrying value and fair value of financial instruments by categories were as follows:

(a) As on March 31, 2018

(Amount in ₹ Crore)

Particulars	Amortized Cost	Financial Assets/ liabilities at FVTPL	Financial Assets/ liabilities at fair value through OCI	Total Carrying Value	Total Fair Value
Assets:					
Investments in Equity Instruments	0.01	-	-	0.01	0.01
Cash & Cash Equivalents	98.79	-	-	98.79	98.79
Bank Balance Other than (iii) above	2.35			2.35	2.35
Trade Receivable	3,185.44	-	-	3,185.44	3,185.44
Employee Loans	7.71	-	-	7.71	7.49
Security Deposits	6.98	-	-	6.98	6.98
Other Financial Assets	101.62	-	-	101.62	101.62
Liabilities:	-	-	-	-	-
Trade Payable	1,208.63	-	-	1,208.63	1,208.57
Borrowings	1,769.58	-	-	1,769.58	1,769.58
Other Financial Liabilities	304.22	-	-	304.22	304.06

(b) As on March 31, 2017

(Amount in ₹ Crore)

Particulars	Amortized Cost	Financial Assets/ liabilities at FVTPL	Financial Assets/ liabilities at fair value through OCI	Total Carrying Value	Total Fair Value
Assets:					
Investments in Equity Instruments	0.01	-	-	0.01	0.01
Cash & Cash Equivalents	6.95	-	-	6.95	6.95
Bank Balance Other than (iii) above	2.16	-	-	2.16	2.16
Trade Receivable	3,093.12	-	-	3,093.12	3,093.12
Employee Loans	10.17	-	-	10.17	9.92
Security Deposits	5.14	-	-	5.14	5.14
Other Financial Assets	49.24	-	-	49.24	49.24
Liabilities:	-	-	-	-	-
Trade Payable	1,166.60	-	-	1,166.60	1,166.60
Borrowings	1,718.77	-	-	1,718.77	1,718.77
Other Financial Liabilities	271.59	-	-	271.59	271.42

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(c) As on April 01, 2016

(Amount in ₹ Crore)

Particulars	Amortized Cost	Financial Assets/ liabilities at FVTPL	Financial Assets/ liabilities at fair value through OCI	Total Carrying Value	Total Fair Value
Assets:					
Investments in Equity Instruments	0.01	-	-	0.01	0.01
Cash & Cash Equivalents	8.65	-	-	8.65	8.65
Bank Balance Other than (iii) above	0.94	-	-	0.94	0.94
Trade Receivable	3,707.96	-	-	3,707.96	3,707.96
Employee Loans	11.23	-	-	11.23	11.00
Security Deposits	7.57	-	-	7.57	7.57
Other Financial Assets	36.25	-	-	36.25	36.25
Liabilities:					
Trade Payable	1,661.76	-	-	1,661.76	1,661.76
Borrowings	1,665.45	-	-	1,665.45	1,665.45
Other Financial Liabilities	297.73	-	-	297.73	297.03

The carrying amounts of trade receivables, cash and cash equivalents, borrowings (short term credit), trade payables are considered to be the same as their fair values, due to their short-term nature.

40.2 Fair Value Hierarchy

- Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active markets.
- Level 2 - Level 2 hierarchy includes financial instruments measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Level 3 hierarchy includes financial instruments measured using inputs that are not based on observable market data (unobservable inputs).

The following table present fair value hierarchy of assets and liabilities measured at fair value:

(a) As on March 31, 2018

(Amount in ₹ Crore)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Financial Assets						
Financial Investments at FVTPL	-	-	-	-	-	-
Investment in Equity Instruments	-	-	-	-	-	-
Investment in Equity Instruments	-	-	-	-	-	-
Others (specify nature)	-	-	-	-	-	-
Financial Investments at FVTOCI	-	-	-	-	-	-
Investment in unquoted Equity Instruments	-	-	-	-	-	-
Investment in unquoted Equity Instruments	-	-	-	-	-	-
Others (specify nature)	-	-	-	-	-	-
Derivatives designated as hedges	-	-	-	-	-	-

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NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(a) As on March 31, 2018

(Amount in ₹ Crore)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Foreign exchange forward contracts	-	-	-	-	-	-
Specify nature	-	-	-	-	-	-
Total	-	-	-	-	-	-
Financial liability	-	-	-	-	-	-
Derivatives designated as hedges	-	-	-	-	-	-
Foreign exchange forward contracts	-	-	-	-	-	-
Specify nature	-	-	-	-	-	-
Total	-	-	-	-	-	-

(b) As on March 31, 2017

(Amount in ₹ Crore)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Financial Assets						
Financial Investments at FVTPL	-	-	-	-	-	-
Investment in Equity Instruments	-	-	-	-	-	-
Investment in Equity Instruments	-	-	-	-	-	-
Others (specify nature)	-	-	-	-	-	-
Financial Investments at FVTOCI	-	-	-	-	-	-
Investment in unquoted Equity Instruments	-	-	-	-	-	-
Investment in unquoted Equity Instruments	-	-	-	-	-	-
Others (specify nature)	-	-	-	-	-	-
Derivatives designated as hedges	-	-	-	-	-	-
Foreign exchange forward contracts	-	-	-	-	-	-
Specify nature	-	-	-	-	-	-
Total	-	-	-	-	-	-
Financial liability						
Derivatives designated as hedges	-	-	-	-	-	-
Foreign exchange forward contracts	-	-	-	-	-	-
Specify nature	-	-	-	-	-	-
Total	-	-	-	-	-	-

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(c) As on April 1, 2016

(Amount in ₹ Crore)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Financial Assets						
Financial Investments at FVTPL	-	-	-	-	-	-
Investment in Equity Instruments	-	-	-	-	-	-
Investment in Equity Instruments	-	-	-	-	-	-
Others (specify nature)	-	-	-	-	-	-
Financial Investments at FVTOCI	-	-	-	-	-	-
Investment in unquoted Equity Instruments	-	-	-	-	-	-
Investment in unquoted Equity Instruments	-	-	-	-	-	-
Others (specify nature)	-	-	-	-	-	-
Derivatives designated as hedges	-	-	-	-	-	-
Foreign exchange forward contracts	-	-	-	-	-	-
Specify nature	-	-	-	-	-	-
Total	-	-	-	-	-	-
Financial liability						
Derivatives designated as hedges	-	-	-	-	-	-
Foreign exchange forward contracts	-	-	-	-	-	-
Specify nature	-	-	-	-	-	-
Total	-	-	-	-	-	-

Assets and liabilities which are measured at amortized cost for which fair values are disclosed

(a) As on March 31, 2018

(Amount in ₹ Crore)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Financial assets						
Loans to employees	-	-	7.49	7.49	DCF	10.66
Security deposits	-	-	0.80	0.80	DCF	10.66
Others (specify nature)	-	-	-	-	-	-
Total financial assets	-	-	8.28	8.28	-	-
Financial Liabilities	-	-	-	-	-	-
Borrowings	-	-	1.43	1.43	DCF	10.66
Others (specify nature)	-	-	6.18	6.18	DCF	10.66
Total financial liabilities	-	-	7.61	7.61	-	-

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NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(b) As on March 31, 2017

(Amount in ₹ Crore)

Particular	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Financial assets						
Loans to employees	-	-	9.92	9.92	DCF	10.66
Security deposits	-	-	0.75	0.75	DCF	10.66
Others (specify nature)	-	-	-	-	-	-
Total financial assets	-	-	10.68	10.68	-	-
Financial Liabilities	-	-	-	-	-	-
Borrowings	-	-	1.44	1.44	DCF	10.66
Others (specify nature)	-	-	5.83	5.83	DCF	10.66
Total financial liabilities	-	-	7.27	7.27	-	-

(Amount in ₹ Crore)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Financial assets						
Loans to employees	-	-	11.00	11.00	DCF	10.66
Security deposits	-	-	0.41	0.41	DCF	10.66
Others (specify nature)	-	-	-	-	-	-
Total financial assets	-	-	11.41	11.41	DCF	10.66
Financial Liabilities	-	-	-	-	-	-
Borrowings	-	-	1.53	1.53	DCF	10.66
Others (specify nature)	-	-	3.19	3.19	DCF	10.66
Total financial liabilities	-	-	4.72	4.72	DCF	-

40.3 Fair value of financial assets and financial liabilities measured at amortized cost

(Amount in ₹ Crore)

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	Carrying Amount	Fair value	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial assets	-	-	-	-	-	-
Loans to employees	7.71	7.49	10.17	9.92	11.23	11.00
Security deposits	6.98	6.98	5.14	5.14	7.57	7.57
Others (specify nature)	-	-	-	-	-	-
Cash & Cash Equivalents	98.79	98.79	6.95	6.95	8.65	8.65
Bank Balance Other than (iii) above	2.35	2.35	2.16	2.16	0.94	0.94
Others Financial Assets	101.62	101.62	49.24	49.24	36.25	36.25
Investment in Equity Instrument	0.01	0.01	0.01	0.01	0.01	0.01

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	Carrying Amount	Fair value	Carrying Amount	Fair value	Carrying Amount	Fair value
Loan	-	-	-	-	-	-
Trade Receivable	3,185.44	3,185.44	3,093.12	3,093.12	3,707.96	3,707.96
Total financial assets	3,402.90	3,402.68	3,166.79	3,166.54	3,772.61	3,772.38
Financial Liabilities	-	-	-	-	-	-
Trade Payable	1,208.63	1,208.63	1,166.60	1,166.60	1,661.76	1,661.76
Borrowings	1,769.58	1,769.58	1,718.77	1,718.77	1,665.45	1,665.45
Others Financial Liabilities	304.22	304.06	271.59	271.42	297.73	297.03
Total financial liabilities	3,282.43	3,282.27	3,156.96	3,156.79	3,624.94	3,624.24

40.4 Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk- Foreign Exchange	Future commercial transactions, Recognized financial assets and financial liabilities	Cash flow forecasting, sensitivity analysis	-
Market risk- Interest rate	Long term borrowings at variable rate of interest	Sensitivity analysis	-
Market risk- Security price fluctuation	Mutual fund Investments	Sensitivity analysis	-
Credit risk	Cash and cash equivalent, trade receivables, security deposits, financial instruments.	"Ageing analysis Credit rating"	-
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	-

a) Market risk

i) Foreign Currency risk

The Company operates at international level which exposes the company to foreign currency risk arising from foreign currency transaction arising primarily from USD Foreign currency risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency other than INR as on reporting date.

(a) As on 31.03.2018

(Amount in ₹ Crore)

Particulars	US Dollars	EURO	Other Currencies	Total
Cash & cash equivalents				
Trade Receivable	1,401.93	9.30	-	1,411.23
Freight Demurrage/Despatch Receivable	1.98	-	-	1.98
Other Receivable	2.50	-	-	2.50

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NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(Amount in ₹ Crore)

Particulars	US Dollars	EURO	Other Currencies	Total
Total Receivable in Foreign Currency	1,406.41	9.30	-	1,415.71
Foreign currency Loan Payable	-	-	-	-
Interest on foreign currency loan payable	-	-	-	-
Trade Payables	24.75	-	-	24.75
Freight Demurrage/despatch payable	14.59	-	-	14.59
Provision towards Litigation settlement	-	-	-	-
Others (if any)	0.47	-	-	0.47
Total payable in Foreign currency	39.81	-	-	39.81
Net Assets/(Liabilities)	1,366.60	9.30	-	1,375.90

(b) As on 31.03.2017

(Amount in ₹ Crore)

Particulars	US Dollars	EURO	Other Currencies	Total
Cash & cash equivalents	-	-	-	-
Trade Receivable	1,408.12	7.98	-	1,416.10
Freight Demurrage/Despatch Receivable	1.97	-	-	1.97
Other Receivable	2.49	-	-	2.49
Total Receivable in Foreign Currency	1,412.58	7.98	-	1,420.56
Foreign currency Loan Payable	-	-	-	-
Interest on foreign currency loan payable	-	-	-	-
Trade Payables	24.50	3.47	-	27.97
Freight Demurrage/despatch payable	12.76	-	-	12.76
Provision towards Litigation settlement	-	-	-	-
Others (if any)	0.47	-	-	0.47
Total payable in Foreign currency	37.73	3.47	-	41.20
Net Assets/(Liabilities)	1,374.85	4.51	-	1,379.36

(c) As on 01.04.2016

(Amount in ₹ Crore)

Particulars	US Dollars	EURO	Other Currencies	Total
Cash & cash equivalents	-	-	-	-
Trade Receivable	1,398.10	-	-	1,398.10
Freight Demurrage/Despatch Receivable	2.01	-	-	2.01
Other Receivable	2.54	-	-	2.54
Total Receivable in Foreign Currency	1,402.65	-	-	1,402.65
Foreign currency Loan Payable	-	-	-	-
Interest on foreign currency loan payable	-	-	-	-
Trade Payables	76.02	1.37	-	77.39
Freight Demurrage/despatch payable	13.12	-	-	13.12

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(Amount in ₹ Crore)

Particulars	US Dollars	EURO	Other Currencies	Total
Provision towards Litigation settlement	-	-	-	-
Others (if any)	0.49	-	-	0.49
Total payable in Foreign currency	89.63	1.37	-	91.00
Net Assets/(Liabilities)	1,313.02	(1.37)	-	1,311.65

Sensitivity

The sensitivity of profit or loss to changes in exchange rate arises mainly from foreign currency denominated financial instrument.

Risk	Impact on profit after tax	
	March 31, 2018	March 31, 2017
Increase by -1 %	13.76	13.79
Decrease by -1 %	(13.76)	(13.79)

ii) Interest rate risk

The company's main interest rate risk arises from long term and short term borrowings with variable rates, which expose the company to cash flow interest rate risk. During March 31, 2018 and March 31, 2017, Company's borrowings are denominated in INR.

The exposure of company's borrowings to interest rate changes at the end of reporting period are as follows:

(Amount in ₹ Crore)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Variable rate borrowings	1,769.58	1,718.77	1,665.45
Fixed rate borrowings	-	-	-
Total borrowings	1,769.58	1,718.77	1,665.45

Sensitivity

Profit or loss is sensitive to higher/lower expense from borrowings as a result of change in interest rates. The table summarises the impact of increase/decrease in interest rates on Profit or loss.

Particulars	Impact on profit after tax	
	March 31, 2018	March 31, 2017
Interest rates- increase by (%)	(8.85)	(8.33)
Interest rates- decrease by (%)	8.85	8.33

iii) Security price fluctuation risk

The company's exposure to security price risk arises from company's investments in mutual funds and classified in the balance sheet as fair value through profit and loss

Sensitivity

The table below summarises the impact of increase/decrease of the investment by certain percentage on Profit or Loss of the company.

Particulars	Impact on profit after tax	
	March 31, 2018	March 31, 2017
Interest rates- increase by (%)	-	-
Interest rates- decrease by (%)	-	-



NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

b) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables and unbilled revenue. Accordingly, credit risk from trade receivables has been separately evaluated from all other financial assets in the following paragraphs.

Trade Receivables & Unbilled Revenue

(Amount in ₹ Crore)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Trade Receivables	3,185.44	3,093.12	3,707.96
Unbilled Revenue	-	-	-

Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers. On account of adoption of Ind-AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the company's historical experience for customers.

Credit risk exposure

An analysis of age of trade receivables and unbilled receivables at each reporting date is summarized as follows:

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	Gross	Impairment	Gross	Impairment	Gross	Impairment
Not past due	1.78	-	16.95	-	37.69	-
Past due less than three months	94.52	-	62.93	-	115.54	-
Past due more than three months but not more than six months	68.51	-	121.97	-	211.47	-
Past due more than six months but not more than one year	128.17	0.34	177.44	-	107.18	-
More than one year	3,517.60	624.79	3,374.10	660.27	3,702.28	466.19
Total	3,810.58	625.13	3,753.39	660.27	4,174.16	466.19

Trade receivables are impaired when recoverability is considered doubtful based on the recovery analysis performed by the company for individual trade receivables. The company considers that all the above financial assets that are not impaired and past due for each reporting dates under review are of good credit quality.

Other financial assets

Credit risk relating to cash and cash equivalents is considered negligible because our counterparties are banks. We consider the credit quality of term deposits with such banks that are majority owned by the Government of India and subject to the regulatory oversight of the Reserve Bank of India to be good, and we review these banking relationships on an ongoing basis. Credit risk related to employee loans are considered negligible since loan is secured against the property/guarantee for which loan is granted to the employees. There are no impairment provisions as at each reporting date against these financial assets. We consider all the above financial assets as at the reporting dates to be of good credit quality.

c) Liquidity Risk

Our liquidity needs are monitored on the basis of monthly and yearly projections. The company's principal sources of liquidity are cash and cash equivalents, cash generated from operations and credit facilities from banks.

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

We manage our liquidity needs by continuously monitoring cash inflows and by maintaining adequate cash and cash equivalents. Net cash requirements are compared to available cash in order to determine any shortfalls.

Short term liquidity requirements consists mainly of sundry creditors, expense payable, employee dues arising during the normal course of business as of each reporting date. We maintain a sufficient balance in cash and cash equivalents to meet our short term liquidity requirements.

We assess long term liquidity requirements on a periodical basis and manage them through internal accruals.

The table below provides details regarding the contractual maturities of non-derivative financial liabilities. The table have been drawn up based on the undiscovered cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The table includes both principal & interest cash flows.

(a) As on March 31, 2018

(Amount in ₹ Crore)

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	89.67	6.04	116.29	957.92	38.71	1,208.63
Short term borrowings (cash credit)	174.25	84.81	1,510.52	-	-	1,769.58
Long Term Borrowings	-	-	-	-	-	-
Other Financial Liabilities	61.59	96.49	39.43	16.00	90.70	304.21
Total	325.51	187.34	1,666.24	973.92	129.41	3,282.42

(b) As on March 31, 2017

(Amount in ₹ Crore)

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	119.94	45.04	7.15	976.70	17.76	1,166.59
Short term borrowings (cash credit)	51.98	86.83	1,433.68	-	-	1,572.49
Long Term Borrowings	-	-	146.28	-	-	146.28
Other Financial Liabilities	44.43	81.71	42.04	22.16	81.25	271.59
Total	216.35	213.58	1,629.15	998.86	99.01	3,156.95

(c) As on April 1, 2016

(Amount in ₹ Crore)

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	136.09	454.10	69.38	980.46	21.72	1,661.75
Short term borrowings (cash credit)	51.28	4.21	1,433.68	-	-	1,489.17
Long Term Borrowings	176.28	-	-	-	-	176.28
Other Financial Liabilities	25.17	115.90	57.74	17.04	81.88	297.73
Total	388.82	574.21	1,560.80	997.50	103.60	3,624.93



NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018

41 Disclosure in respect of Indian Accounting Standard (Ind AS)-21 "The Effects of changes in Foreign Exchange Rates"

The amount of exchange differences (Net) credited to the Statement of Profit & Loss Rs. 0.54 Cr. (P.Y. Rs. 24.81 Cr.)

42 Disclosure in respect of Indian Accounting Standard (Ind AS)-23 "Borrowing Costs"

The amount capitalized with Property, Plant & Equipments as borrowing cost is Rs. Nil & Rs. Nil for the year ended March 31, 2018 & March 31, 2017 respectively.

43 Disclosure in respect of Indian Accounting Standard (Ind AS)-36 "Impairment of assets"

During the year, the company assessed the impairment loss of assets and is of Rs. 0.21 Cr.(NIL)

44 Disclosure in respect of Indian Accounting standard (Ind AS)-108: "Operating Segments"

Operating Segments

- 1) Export
- 2) Import
- 3) Domestic

Identification of Segments

The Chief Operating Decision Maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of products/services and have been identified as per the quantitative criteria specified in the Ind AS.

Segment revenue and results

The expenses and incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocated income).

Segment assets and liability

Segment assets include all operating assets used by the operating segments and mainly consists of PPE, trade receivables, cash & cash equivalents and inventories. Segment liability primarily includes trade payables and other liabilities. Common assets and liabilities which can not be allocated to any of the segments are shown as a part of unallocable assets and liabilities.

Intersegment Transfers

Intersegment prices are normally negotiated among segments with reference to the cost, market price and business risk. Profit or loss on intersegment transfers are eliminated at the company level.

(i) Segment Revenue and Expense

Details regarding revenue and expenses attributable to each segment must be disclosed

Segment assets include all operating assets in respective segments comprising of net fixed assets and current assets, loans and advances etc. Assets relating to corporate and construction are included in unallocated segments. Segment liabilities include liabilities and provisions directly attributable to respective segment.

Segment revenues and results

(a) for the year ended March 31, 2018

(Amount in ₹ Crore)

	Particulars	Export	Import	Domestic	Unallocated	Total
(1)	Segment Revenue					
	(a) External Sales	279.19	10,240.04	346.48	-	10,865.71
	(b) Inter segment revenue	-	-	-	-	-

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

	Particulars	Export	Import	Domestic	Unallocated	Total
	Segment Revenue (1(a) +1 (b))	279.19	10,240.04	346.48	-	10,865.71
(2)	Segments Results	18.23	4.82	3.01	-	26.06
(3)	a) Unallocated Corporate expenses net of unallocated income	0.80	0.75	0.07	111.60	113.22
	b) Interest Expense	21.19	0.40	0.27	156.82	178.68
	c) Interest Income	(259.63)	(1.43)	(0.02)	(7.78)	(268.86)
	Total	(237.64)	(0.28)	0.32	260.64	23.04
(4)	Profit before tax from ordinary activities (2)-3 (a), (b) & (c)	55.87	5.10	2.69	(260.64)	3.02
(5)	Exceptional Items	(0.01)	4.85	(35.92)	1.85	(29.23)
(6)	Income taxes	-	-	-	(5.27)	(5.27)
(7)	Net Profit after tax (4)- (5) -(6)	255.88	0.25	38.61	(257.22)	37.52
(8)	Interest in results of JV's	-	-	-	-	-
(9)	Other Information :	-	-	-	-	-
	(a) Segment Assets	3,156.88	85.25	52.69	1,143.38	4,438.20
	(b) Segment Liabilities	1,327.65	255.28	62.47	1,861.99	3,507.39
	(c) Capital Expenditure	-	-	-	1.55	1.55
	(d) Depreciation	-	-	-	16.02	16.02
	(e) Non-Cash expenses other than depreciation	-	5.32	5.63	0.78	11.73

(b) for the year ended March 31, 2017

(Amount in ₹ Crore)

	Particulars	Export	Import	Domestic	Unallocated	Total
(1)	Segment Revenue					
	(a) External Sales	793.11	6,414.88	606.49	-	7,814.49
	(b) Inter segment revenue	-	-	-	-	-
	Segment Revenue (1(a) +1 (b))	793.11	6,414.88	606.49	-	7,814.49
(2)	Segments Results	19.47	10.11	5.45	-	35.03
(3)	(a) Unallocated Corporate expenses net of unallocated income	1.57	1.16	-	116.13	118.86
	(b) Interest Expense	18.92	0.12	-	140.24	159.28
	(c) Interest Income	(232.02)	(1.55)	(0.49)	(3.10)	(237.16)
	Total	(211.53)	(0.27)	(0.49)	253.27	40.98

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NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

	Particulars	Export	Import	Domestic	Unallocated	Total
(4)	Profit before tax from ordinary activities (2)-3 (a),(b) & (c)	231.00	10.38	5.94	(253.27)	(5.95)
(5)	Exceptional Items	(0.01)	112.02	41.15	(9.30)	143.86
(6)	Income taxes	-	-	-	16.01	16.01
(7)	Net Profit after tax (4)- (5) -(6)	231.01	(101.64)	(35.21)	(259.98)	(165.82)
(8)	Interest in results of JV's	-	-	-	-	-
(9)	Other Information:	-	-	-	-	-
	(a) Segment Assets	2,984.15	105.25	98.86	1,094.88	4,283.14
	(b) Segment Liabilities	1,367.76	247.33	38.70	1,739.20	3,392.99
	(c) Capital Expenditure	-	-	-	2.68	2.68
	(d) Depreciation	-	-	-	15.94	15.94
	(e) Non-Cash expenses other than depreciation	0.50	129.59	41.76	29.12	200.97

Segment assets and liabilities

(c) As on April 01, 2016

(Amount in ₹ Crore)

	Particulars	Export	Import	Domestic	Unallocated	Total
(8)	Interest in results of JV's	-	-	-	-	-
(9)	Other Information :	-	-	-	-	-
	a) Segment Assets	3,215.53	329.61	154.06	1,148.65	4,847.85
	b) Segment Liabilities	1,803.97	206.70	75.05	1,708.34	3,794.06

(ii) Information about major customers

Revenue from major customers under import segment is Rs. Nil (31.03.2017, Rs.2047.32 Cr which is more than 10% of companies total revenues).

NOTE NO. 45:

Disclosure as per IND AS 19 Employee Benefits

(i) Defined Contribution plans:

A. Pension

Company has defined contribution pension plan for its existing employees in pursuance to the guidelines issued by the Department of Public Enterprises. In this regard STC Employees Defined Contribution Superannuation Pension Trust has been formed. Under the scheme the employer's contribution is 9% of basic pay plus VDA of eligible employees and the funds of the trust are managed by LIC. An employee has to be member of trust for a minimum period of 15 years to avail the benefit of this scheme. In case the employee leaves the company before completion of 15 years only employee contribution along with interest is payable to him. However, this condition does not apply to the employees who join the other CPSE having the same Pension Scheme. (Refer Note.30 for expense on this account)

(i) Defined benefit plans:

A. Provident fund

Company pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the year is recognised as expenses and is charged to the Statement of Profit & Loss (Refer Note.30 for expense on this account). The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by the Government. The company has not incurred any loss on account of ensuring minimum return on PF fund till 31.03.2017. However, since the actuarial valuation report has not been obtained as at 31.03.18, the company is unable to comment upon the quantum of loss/gain in ensuring minimum return on the fund.

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

B. Gratuity

- a) The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹0.10 crore on superannuation, resignation, termination, disablement or on death. The maximum ceiling of ₹0.10 Crore has been enhanced to ₹0.20 crore vide amendment in the payment of gratuity Act 1972 w.e.f 28.03.2018. However the increased limit of Gratuity is subject to approval in the company. The Company has carried out actuarial valuation of gratuity benefit considering the enhanced ceiling.

Based on the actuarial valuation, the following table sets out the status of the gratuity and the amounts recognised in the Company's financial statements as at balance sheet date:

(Amount in ₹ Crore)		
Net defined benefit (asset)/liability:	31.03.2018	31.03.2017
Current	12.33	8.75
Non-Current	47.64	42.66
Total PBO at the End of year	59.97	51.41

Movement in net defined benefit (asset)/liability

(Amount in ₹ Crore)

S. No.	Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (Asset) Liability	
		31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
A	Opening balance	51.41	52.34	52.54	52.30	-1.13	0.04
B	Included in profit or loss:						
(i)	Current service cost	2.27	2.12	-	-	2.27	2.12
(ii)	Past service cost	12.70	-	-	-	12.70	-
(iii)	Interest cost (income)	3.78	4.06	-3.87	-4.05	-0.08	-
	Total amount recognised in profit or loss (i+ii+iii)	18.75	6.18	-3.87	-4.05	14.89	2.12
C	Included in OCI:						
	Remeasurement loss (gain):	-	-	-	-	-	-
	Actuarial loss (gain) arising from :	-	-	-	-	-	-
(i)	Financial assumptions	-0.97	0.57	-	-	-0.97	0.57
(ii)	Experience adjustment	-3.56	-3.98	-	-	-3.56	-3.98
(iii)	Return on plan assets excluding interest income	-	-	-0.29	0.08	-0.29	0.08
	Total amount recognised in other comprehensive income (i+ii+iii)	-4.53	-3.41	-0.29	0.08	-4.82	-3.33
D	Other	-	0.10	-	-	-	0.10
E	Contribution Paid to the Fund	-	-	-	0.05	-	-0.05
F	Benefits paid	-5.67	-3.79	-5.67	-3.79	-	-
G	Closing balance (A+B+C+D+E+F)	59.97	51.41	51.03	52.53	8.94	-1.12

The Fair Value of Plan Assets at the end of the reporting period is as follows:

(Amount in ₹ Crore)

S.No.	Particulars	As at 31.03.2018	As at 31.03.2017
(A)	Balance with Bank		
	SBI	-	-
	Yes Bank	0.03	0.51
	IDBI	0.01	-
	Total (A)	0.04	0.51
(B)	Group Gratuity Traditional Fund Scheme		
	Bajaj Allianz	16.54	15.22
	SBI Life	26.47	29.40
	HDFC Standard Life Insurance	7.98	7.40
	Total (B)	50.99	52.02
	Grand Total (A+B)	51.03	52.53



NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

C. Post-Retirement Medical Benefit Scheme (PRMB)

The Company has Post-Retirement Medical Benefit Scheme (PRMB), under which the retired employees and their spouses are provided medical facilities in the empanelled hospitals. They can also avail treatment as out-patient subject to a ceiling fixed by the Company. The scheme is unfunded and the liability for the same is recognised annually on the basis of actuarial valuation. However, the STC Retired Employees Medical Benefit Scheme has been suspended w.e.f 16.05.2018 till further orders. Hence it may affect the actual Liability on this account the magnitude of which is not ascertainable at present. Further the company has curtailed the Medical Benefits of employees retired on or before 25.11.2008. The medical benefits to be provided to such employees have been brought at par with the the employees retiring after 26.11.2008. The effect of such curtailment has already been taken while calculating the actuarial valuation of Post Retirement Medical Benefit Scheme.

Based on the actuarial valuation, the following table sets out the status of the PRMB and the amounts recognised in the Company's financial statements as at balance sheet date:

(Amount in ₹ Crore)

Net defined benefit (asset)/liability:	31.03.2018	31.03.2017
Current	7.35	6.83
Non-Current	95.69	95.60
Total PBO at the End of year	103.04	102.43

Movement in net defined benefit (asset)/liability

(Amount in ₹ Crore)

S. No.	Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net defined benefit (asset) liability	
		31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
A	Opening balance	102.43	96.95	-	-	102.43	96.95
B	Included in profit or loss:	-	-	-	-	-	-
(i)	Current service cost	0.82	0.68	-	-	0.82	0.68
(ii)	Past service cost	-	-	-	-	-	-
(iii)	Interest cost (income)	7.53	7.52	-	-	7.54	7.51
	Total amount recognised in profit or loss	8.35	8.20			8.35	8.20
C	Included in OCI:						
	Remeasurement loss (gain):	-	-	-	-	-	-
	Actuarial loss (gain) arising from :	-	-	-	-	-	-
(i)	Financial assumptions	-4.17	4.47	-	-	-4.17	4.46
(ii)	Experience adjustment	5.52	2.17	-	-	5.52	2.17
(iii)	Return on plan assets excluding interest income						
	Total amount recognised in other comprehensive income	1.35	6.64	-	-	1.35	6.64
D	Other						
E	Benefits paid	-9.09	-9.36	-	-	-9.09	-9.36
F	Closing balance (A+B+C+D+E)	103.04	102.43	-	-	103.04	102.43

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

D. Leave

The Company provides Earned Leave (EL) and Half Pay Leave (HPL) benefit to the employees of the Company which accrue annually at 30 days and 20 days respectively. The maximum ceiling for encashment of leave at time of superannuation/cessation from service other than on disciplinary ground shall be limited to 300 days (EL & HPL combined). 50% of EL subject to a maximum 150 days is en-cashable on resignation. EL is en-cashable while in service leaving a minimum balance of 15 days twice a year. The scheme is unfunded and liability for the same is recognised on the basis of Actuarial Valuation

(Amount in ₹ Crore)

Net defined benefit (asset)/liability :	31.03.2018	31.03.2017
Current	2.27	2.31
Non-current	11.58	10.74
Total PBO at the End of year	13.85	13.05

Movement in net defined benefit (asset)/liability

(Amount in ₹ Crore)

S. No.	Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net defined benefit (asset) liability	
		31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
A	Opening balance	13.05	15.57	-	-	13.05	15.57
B	Included in profit or loss:	-	-	-	-	-	-
(i)	Current service cost	0.81	0.82	-	-	0.81	0.82
(ii)	Past service cost	-	-	-	-	-	-
(iii)	Interest cost (income)	0.96	1.21	-	-	0.96	1.21
C	Remeasurement loss (gain):	-	-	-	-	-	-
	Actuarial loss (gain) arising from :	-	-	-	-	-	-
(i)	Financial assumptions	-0.30	0.31	-	-	-0.30	0.31
(ii)	Experience adjustment	2.01	2.18	-	-	2.01	2.18
(iii)	Return on plan assets excluding interest income						
	Total amount recognised in profit or loss (B+C)	3.48	4.52	-	-	3.48	4.52
D	Other						
E	Benefits paid	-2.68	-7.04	-	-	-2.68	-7.04
	Closing balance (A+B+C+D+E)	13.85	13.05	-	-	13.85	13.05

Sick Leave/(HPL)

(Amount in ₹ Crore)

Net defined benefit (asset)/liability:	31.03.2018	31.03.2017
Current	2.97	2.56
Non-current	9.66	11.74
Total PBO at the End of year	12.63	14.30



NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Movement in net defined benefit (asset)/liability

(Amount in ₹ Crore)

S. No.	Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net defined benefit (asset) liability	
		31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
A	Opening balance	14.30	14.08	-	-	14.30	14.08
B	Included in profit or loss:	-	-	-	-	-	-
(i)	Current service cost	0.50	0.65	-	-	0.50	0.65
(ii)	Past service cost	-	-	-	-	-	-
(iii)	Interest cost (income)	1.05	1.09	-	-	1.05	1.09
C	Remeasurement loss (gain):	-	-	-	-	-	-
	Actuarial loss (gain) arising from :	-	-	-	-	-	-
(i)	Financial assumptions	-0.20	0.26	-	-	-0.20	0.26
(ii)	Experience adjustment	-1.76	-1.13	-	-	-1.76	-1.13
(iii)	Return on plan assets excluding interest income						
	Total amount recognised in profit or loss (B+C)	(0.41)	0.87	-	-	(0.41)	0.87
D	Other						
E	Benefits paid	-1.26	-0.65	-	-	-1.26	-0.65
	Closing balance (A+B+C+D+E)	12.63	14.30	-	-	12.63	14.30

E Other Benefits

Service awards were given to regular employees for rendering continuous service in the Company for long service rendered by them on completion of 15/25/30/35/38 years of service. Besides this, service award @ Rs. 1,000/- per year for each completed year of service was also given at the time of retirement subject to a maximum of ₹30,000/-. The same has been discontinued vide Personnel Division Circular dated 13.06.2017. As per Actuarial Valuation company's best estimates for FY 2017-2018 is Nil. (₹1.53Cr. for 2016-2017) for on roll employees.

F Actuarial Assumptions

The following were the principal actuarial assumptions at the reporting date

(Amount in ₹ Crore)

S.No.	Particulars	31.03.2018	31.03.2017
1	Discount Rate	7.71%	7.36%
2	Future Salary Increase	8%	8%
3	Medical Cost Increase	8%	8%

- i The discount rate is based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that of the liability
- ii Salary Growth rate is company's long term best estimate as to salary increases & takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting period.
- iii Medical Cost increase rate is company's long term best estimate as to cost increases taking into account of inflation, other relevant factors on long term basis as provide in relevant accounting period

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

G Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Assumption	As on 31.03.2018				
	Change in Assumption	Gratuity	PRMB	Earned Leave	Half Pay Leave
		(Funded)	(Non Funded)		
Discount rate	0.50%	-1.34	-5.64	-0.41	-0.28
	-0.50%	1.40	5.74	0.44	0.29
Salary growth rate	0.50%	1.39	-	0.44	0.29
	-0.50%	-1.35	-	-0.41	-0.28
Medical Cost Increase	0.50%	-	5.78	-	-
	-0.50%	-	-5.67	-	-

Assumption	As on 31.03.2017				
	Change in Assumption	Gratuity	PRMB	Earned Leave	Half Pay Leave
		(Funded)	(Non Funded)		
Discount rate	0.50%	-0.74	-5.61	-0.40	-0.33
	-0.50%	0.72	5.70	0.43	0.35
Salary growth rate	0.50%	0.71	-	0.42	0.35
	-0.50%	-0.74	-	-0.40	-0.33
Medical Cost Increase	0.50%	-	5.75	-	-
	-0.50%	-	-5.64	-	-

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated by actuarial. Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable

H Risk Exposure

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follows:

- 1 Salary Increase-** Actual salary increase will increase the Plan's Liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- 2 Investment Risk-** If plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- 3 Discount Rate-** Reduction in discount rate in subsequent valuations can increase the plan's liability.
- 4 Mortality & Disability-** Actual deaths & Disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- 5 Withdrawals-** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's Liability.



NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

I Maturity Profile of Defined Benefit Obligations

(Amount in ₹ Crore)

Assumption	As on 31.03.2018			
	Gratuity	PRMB	Earned Leave	Half Pay Leave
	(Funded)	(Non Funded)		
Less than 1 year	12.33	7.35	2.27	2.97
Between 1-2 years	10.69	8.44	1.29	1.36
Between 2-3 years	4.16	9.37	1.68	1.46
Between 3-4 years	4.82	10.49	1.53	1.19
Between 4-5 years	4.84	11.96	1.31	1.40
Over 5 years	23.11	55.42	5.77	4.25

Maturity Profile of Defined Benefit Obligations

(Amount in ₹ Crore)

Assumption	As on 31.03.2017			
	Gratuity	PRMB	Earned Leave	Half Pay Leave
	(Funded)	(Non Funded)		
Less than 1 year	8.75	6.83	2.31	2.56
Between 1-2 years	11.51	7.13	1.28	2.08
Between 2-3 years	3.69	8.14	1.42	1.46
Between 3-4 years	3.77	8.99	1.29	1.36
Between 4-5 years	3.73	10.02	1.21	1.24
Over 5 years	19.97	61.31	5.54	5.61

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

46. Disclosure in respect of Indian Accounting Standard 24 "Related Parties Disclosures"

a) List of Related parties:-

(i) Subsidiaries:-

- STCL Ltd.

(ii) Joint Ventures:

1. N.S.S Satpura Development Company Limited

(iii) Associates:-

1. Richfield Aquatech Ltd.
2. Blue Gold Maritech Ltd.
3. National Tannery Company Ltd.
4. Indopirin Gloves Limited.

(iv) Key Managerial Personnel (KMP):

Name	Designation	Remarks
Shri Khaleel Rahim	Chairman & Managing Director	Suspended w.e.f 18.11.2016
Shri S. K. Gupta	Director Marketing	Upto 13.07.2017
Shri Rajiv Chopra	Director (Marketing)	Additional Charge of CMD w.e.f 28.11.2016
Shri S. K. Sharma	Director (Personnel)	Additional Charge of Director Finance w.e.f. 31-10-2016 to 3-01-2018
Shri P.K. Dass	Director (Marketing)	w.e.f 19.02.2016
Shri Umesh Sharma	Director (Finance) MMTC	Additional charge of STC w.e.f 04.01.2018
Shri G. Ravichandran	Director (Finance)	Upto 24.08.2016
Shri J. K. Dadoo	Government Nominee	Upto 16.03.2018
Shri S.C. Pandey	Government Nominee	w.e.f 27.03.2018
Shri A.K. Bhalla	Government Nominee	Upto 02.11.2016
Dr. Inderjit Singh	Government Nominee	10.11.2016 to 28.09.2017
Shri Sunil Kumar	Government Nominee	w.e.f 21.10.2017
Dr. N Sundaradevan	Independent Director	w.e.f 03.08.2016
Dr. K Rangarajan	Independent Director	w.e.f 03.08.2016
Shri Sunil Trivedi	Independent Director	w.e.f 03.08.2016
Shri Arvind Gupta	Independent Director	w.e.f 03.08.2016
Dr. Amitabh Rajan	Independent Director	w.e.f 14.02.2017
Shri M.L. Pareek	Independent Director	w.e.f 14.02.2017
Ms. Bharathi Magdum	Independent Director	w.e.f 24.03.2017
Shri Bharatsingh Parmar	Independent Director	w.e.f 31.03.2017
Ritu Arora	Company Secretary	From 11.08.2016 to 03.01.2018
Kanchan Tripathi	Company Secretary	Upto 11.08.2016
Kamlesh Kumari	Company Secretary	w.e.f 04.01.2018
Shri S.K. Singhal	Chief Financial Officer	w.e.f 05.03.2018



NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(v) Post Employment Benefit Plans:

1. The STC of India Ltd. Employees Provident Fund Trust.
2. The STC of India Ltd. Gratuity Fund Trust.
3. STC Employees Defined Contribution Superannuation Pension Trust.

(vi) Entities under the control of the same Government:

The company is a Central Public Sector Undertaking (CPSU) controlled by Central Government by holding majority of shares (refer note 18), Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The company has applied the exemption available for government related entities and has made limited disclosures in the financial statements. Such entities with which the Company has significant transactions include but not limited to Ministry of Fertilizers and chemicals.

b) Transactions with the related parties are as follows:

Subsidiaries and Joint Venture Companies	Subsidiaries		Joint Venture Companies	
Particulars	2017-18	2016-17	2017-18	2016-17
Rent Received (Rs.)	12,000	12,000	N.A	

(Amount in ₹ Crore)

Compensation to Key management personnel	2017-18	2016-17
- Short term employee benefits	1.50	1.88
- Post employment benefits	0.52	0.28
- Termination benefits	-	-
- Other long term benefits	0.17	0.31
Total Compensation to Key management personnel	2.20	2.47

(Amount in ₹ Crore)

Particulars	The STC of India Ltd. Employees Provident Fund Trust		STC Employee Defined Contribution Superannuation Pension Trust		STC Gratuity Fund Trust	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
STC contribution for the year	4.97	5.18	4.27	4.44	10.07	(1.22)
Outstanding Balance at the end of the year with STC	1.63	1.78	0.32	0.33	8.93	(1.13)

Transactions with the related parties under the control of the same Government

(Amount in ₹ Crore)

S. No.	Name of the Govt. Dept./ Govt. Entity	Nature of relationship with Entity	Nature of Transaction	2017-18	2016-17
1	FCI	Central govt.	Export	0.33	33.26
2	NDDB	Central govt.	Others	0.25	-
3	BIFR/DFS	Central govt.	Others	5.34	9.37
4	IBEF	Central govt.	Others	1.34	1.21
5	Noida SEZ	Central govt.	Others	0.47	0.39

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(Amount in ₹ Crore)

S. No.	Name of the Govt. Dept./ Govt. Entity	Nature of relationship with Entity	Nature of Transaction	2017-18	2016-17
6	15th Finance Commission	Central govt.	Others	2.75	-
7	Ministry of Defence	Central govt.	Domestic	7.68	5.74
8	Department of Fertilizer	Central govt.	Import	-	2,047.33
9	Gujarat State Petroleum Corporation	Govt. of India Undertaking	Others	1.17	1.78
10	ONGC	Govt. of India Undertaking	Others	0.39	-
11	Rashtriya Spat Nigam Ltd	Govt. of India Undertaking	Domestic	1.66	0.91
12	NMDC Ltd	Govt. of India Undertaking	Domestic	0.01	1.19
13	FAD	Govt.	Domestic	5.59	8.09
14	PHQ Bhopal	Govt.	Domestic	-	2.10
15	COD Jabalpur	Govt.	Domestic	-	2.33
16	CAD Pulgaon Maharashtra	Govt.	Domestic	-	0.56
17	Bharat Oman Refinery Limited	Govt. of India Undertaking	Domestic	12.45	69.48
Total				39.42	2183.72

c) Outstanding balances with related parties are as follows:

(Amount in ₹ Crore)

Particulars	31st March 2018	31st March 2017	1st April 2016
Amount recoverable towards loans			
- From Subsidiaries	Nil		
- From Key Managerial personnel			
- From Others			
Amount recoverable other than loans			
- From Subsidiaries	3.69	4.19	4.19
- From Joint Ventures	Nil		
- From Post employment benefit plans			
Amount Payable			
- To Joint Ventures	Nil		



NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

d) Individually significant transactions:

(Amount in ₹ Crore)

Particulars	Nature of Relationship	2017-18	2016-17
Nil			

e) Terms and conditions of transactions with the related parties

- Transactions with the related parties are made on normal commercial terms and conditions and market rates.

DISCLOSURE AS PER IND AS 27 'SEPARATE FINANCIAL STATEMENTS'

a) Investment in Subsidiaries:

Company Name	Country of Incorporation	Proportion of Ownership		
		31st March 2018	31st March 2017	01st April 2016
STCL Limited	India	100	100	100

b) Investment in Joint Venture Entities/Associates:

Company Name	Country of Incorporation	Proportion of Ownership		
		31st March 2018	31st March 2017	01st April 2016
NSS Satapura Development Company Limited	India	25	25	25
Richfield	DETAILS NOT AVAILABLE			
Aquatech Ltd.				
Blue Gold Maritech Ltd.				
National Tannery Company Ltd.				
Indopirin Gloves Limited.				

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

47 Disclosure in respect of Indian Accounting standard (Ind AS) 17 "Leases"

47.1 Operating lease

a) As lessee

Future minimum lease payments under non-cancellable operating leases are as follows:

(Amount in ₹ Crore)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	As at April 1, 2016
Payable in less than 1 year	1.56	1.71	1.54
Payable between 1 year and 5 years	1.56	2.74	4.06
Payable after more than 5 years	1.26	1.64	2.02

Payments recognised as an expense in Statement of Profit & Loss

(Amount in ₹ Crore)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Payable in less than 1 year	2.14	2.76
Payable between 1 year and 5 years	-	-
Payable after more than 5 years	3.33	3.89

Property at Bangalore:

The Land is purchased on lease for 30 years and will be expiring in FY 2026, Building is constructed on said property which is let out. Three floors of the office building are let out to two tenants. As per the terms of this agreement there is a lock in period of 24 month for both the parties i.e. one floor and where as for the other two floors lock in period for both parties is 30 months. In all the agreements lessee has the option of exiting the premises after completion of lock in period by providing 3 months advance written notice to the lessor.

Property at Bhopal:

The office building of STC Bhopal was taken on 30 years lease from BDA and has expired on 31.03.2016, per annum lease rent is Rs. 2061/-

Property at Mumbai:

Lease for Mallat Bunder plot has expired on october 2016. However the branch is continue to occupy and use the mallat bunder plot for commercial exploitation as mutually agreed with MBPT authorities. The Branch is in the process of extention of long lease due to new policy for long lease of port trust land being approved by the ministry, Accordingly no disclosure with respect to leasing of mallat bunder plot is made in the above table.

Property at Hyderabad :

The land is taken on lease from M/s Port Trust by STC, Hyderabad lease tenure being 30 years expiring in FY 2026. The lease rental is payable on annual basis which is revised after every three years @15%.

b) As lessor

Future minimum lease payments under non-cancellable operating leases are receivable as follows:

(Amount in ₹ Crore)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	As at April 1, 2016
Within less than 1 year	2.42	3.25	3.18
Between 1 year and 5 years	2.18	4.75	6.29
After more than 5 years	-	-	-



NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Payments recognised in Statement of Profit & Loss

(Amount in ₹ Crore)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Income - generating property	42.50	39.96
Vacant Property	0.27	0.20
Self occupied property	0.05	0.06

Contingent rents recognized as an income in the period: NIL

47.2 Finance lease

a) As lessee

The company acquires land on leasehold land from the government authorities which can be further renewal based on mutually agreed terms and conditions. The leases are non cancellable. These lease are capitalised at the one time premium paid. The execution of lease deed is pending with respect to Jawahar Vyapar Bhawan, STC-Housing Colony and Flats at AGVC. Major terms and conditions of leases are as under.

1. Jawahar Vyapar Bhawan (JVB)

- The land has been allotted by L&DO.
- The property to be used as office building of STC. In case of any portion of building is given on rent 25% of the rental income is payable to L&DO, which has been contested by the company.
- The property cannot be sold/ mortgage or put to any other use without written consent of L&DO.

Contingent Rent - L&DO allotted a plot of land measuring 2.599 acres for constructing of office building vide lease agreement signed on 15.12.1975. In order to execute the perpetual lease, matter has been taken up with L&DO who has indicated an expenditure of Rs 132.83 crores on various account for facilitating execution of perpetual lease. The demand raised by L&DO is not acceptable to STC and is being disputed in view of verification of actual facts. The actual liability is therefore not ascertainable at present. Hence no provision was considered necessary.

2. STC's Housing Colony:

- The property has been allotted by land and Building Delhi Administration.
- It is to be used for as residential quarters for Staff.

Contingent rents recognized as an income in the period: NIL

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

48 Disclosure in respect of Indian Accounting Standard (Ind AS)-33 "Earnings Per Share(EPS)

a) Basic EPS

The earnings and weighted average number of ordinary shares used in the calculation of basic EPS and Basic EPS is as follows:

(Amount in ₹ Crore)		
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit (loss) for the year, attributable to the owners of the company	40.67	(163.64)
Earnings used in calculation of basic earnings per share (A)		
Weighted average number of ordinary shares for the purpose of basic earnings per share (B)	6.00	6.00
Basic EPS(A/B)	6.78	(27.27)

b) Diluted EPS

The earnings and weighted average number of ordinary shares used in the calculation of Diluted EPS is as follows:

(Amount in ₹ Crore)		
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit (loss) for the year, attributable to the owners of the company	40.67	(163.64)
Earnings used in calculation of basic earnings per share(A)		
Weighted average number of ordinary shares (in crore) for the purpose of basic earnings per share(B)	6.00	6.00
Basic EPS(A/B)	6.78	(27.27)

49) Dividends

(Amount in ₹ Crore)		
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(i) Equity Shares (in crore)	6.00	6.00
(ii) Dividends not recognised at the end of reporting period.	Nil	Nil

50) Assets Pledged as Security

(Amount in ₹ Crore)		
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Non-current	Nil	
Total		
Financial/Non-Financial Assets		
Total		
First Charge/Floating Charge	Current assets of the company	
Total		

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NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

- 51 Balances in parties' accounts, claim recoverable and advances are subject to reconciliation/confirmation in many cases and are subject to adjustments that may arise on reconciliation.
- 52 Current and other liabilities include balances that are subject to reconciliation/confirmation and consequential adjustments.
- 53 The subsidiary namely STCL Limited had appointed M/s ICRA Management Consultant Services to prepare a Turn-ground Plan for the Company in view of its weak financial position. Based on the Report submitted by the Consultant, the Board of Directors of the subsidiary Company has passed a Resolution on 18.04.2013 to take necessary steps for winding-up of the subsidiary company and to introduce a voluntary separation scheme(VSS) to employees. The union cabinet has approved in its meeting held on 13.08.2013 for winding up of STCL Limited. Accordingly the subsidiary company has filed winding up petition dated 26.11.2013 before Hon'ble High Court Karnataka which is pending for disposal. The Subsidiary company has offered VSS to the regular employees in September 2013. Out of 51 employees, the present strength of employees is 11 only.
- 54 Holding company (The State Trading Corporation of India Limited) has not given any guarantee for the credit facility availed by the subsidiary company STCL.
- 55 Accounting policies, Schedules and Notes on accounts attached form an integral part of the accounts. Values in brackets indicate corresponding previous year figure.

As per our report of even date attached

For P. JAIN & COMPANY
Chartered Accountants
Firm Reg. No. 000711C

Sd/-
(RAJIV CHOPRA)
Director (Marketing) with
additional charge of CMD
DIN -06466326

Sd/-
(S.K. SINGHAL)
GM-F & CFO

Sd/-
(PANKAJ JAIN)
Partner
M. No. 097279

Sd/-
B R DHAWAN
CGM-Finance

Sd/-
(KAMLESH KUMARI)
Company Secretary
ACS -24616

Place : New Delhi
Date : 28.05.2018

MANAGEMENT REPLIES TO THE OBSERVATIONS OF STATUTORY AUDITORS ON THE STANDALONE ACCOUNTS FOR THE YEAR 2017-18

Qualifications /Observations of the Statutory Auditors	Management Replies
<p>Basis for qualification :</p> <p>(i) Reference is invited to Note no. 9.5 and 26.1, Trade receivable includes ₹2076.70 crore (previous year ₹1904.24 crores) and other income includes interest of ₹259.47 crore (previous year ₹231.93) booked during the current year on over dues from one of the business associates on account of goods supplied in earlier years. The dues are stated to be secured by EMD of ₹29.73 crore and personal guarantee of chairman of its holding company. Consequent upon Conciliation Agreement dated 15.11.2011 and further settlement agreement dated 17.05.2012 the entire dues were payable to the company by 10.11.2012. During the year, the Business Associate remitted an amount of ₹100 crore (previous year ₹70.18 crore) on the directions of Hon'ble Supreme Court. Considering the poor recovery, non-availability of security, dispute by party with respect to interest charged, and age of outstanding dues, interest income should not be recognized as per concept of prudence.</p> <p>Considering the overall circumstances surrounding the recoverability of outstanding dues of ₹2076.70 crores, we are not in a position to ascertain whether the amount is fully recoverable or not. We are informed by the management that petition for execution of decree as per Conciliation Agreements under the Arbitration and Conciliation Act, 1996 has been filed before the Hon'ble Supreme Court wherein it has been held that decree is final. The party has submitted payment proposal before the Hon'ble Apex Court which is still subjudice before the Hon'ble Apex Court. Cases U/s 138 of Negotiable Instruments Act are also filed by the company before the Hon'ble High Court Delhi. The Enforcement Directorate and CBI are also investigating into the matter about cheating and fraud done by the party. We have also been provided affirmative Board Resolution dt. 14.02.2017 and outcome dt. 30.05.2017 that all possible efforts are extended for recovery of the dues through legal process and company is assured of recovering the dues.</p>	<p>Other Income include interest of ₹259.47 crore recoverable from one of the business associate with whom conciliation agreement has been signed which has been held as final by Hon'ble Supreme Court. Dues are secured by EMD of ₹29.73 crore and the personal guarantee of Chairman of its holding company. The case for enforcement of decree is continuing with Hon'ble Supreme Court. During the year, the business associate remitted an amount of ₹100.00 crore with the knowledge of Hon'ble Supreme Court. Considering the status of case in the Hon'ble Supreme Court, the management is hopeful that the associate may come out with settlement proposal for repayment of entire dues to STC. Next date of hearing is 13.08.2018. Hence the debt is considered good and interest accrued thereon is recognized as income.</p>
<p>(ii) With respect to contingent assets disclosed, the management has not provided any substantive evidence in support of probability of recovery, hence we are not in a position to form an opinion thereon.</p>	<p>The amount shown as contingent asset as on 31.3.18 represents mostly the interest on delayed payment by the associates and other amounts recoverable from the associates under the agreement entered into with them. As per practice, the receivables/claims are reviewed by the Management at periodical intervals. In case Associates are not paying the dues/ there is inordinate delay in recovery of dues, Legal and other actions are initiated to recover the dues. Subsequently, as a prudent accounting policy, interest etc. are not recognized in books of accounts and shown as contingent asset. Provision is made where ever recovery is considered doubtful. In such cases the income is recognized on receipt basis.</p>

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<p>(iii) Reference is invited to Note 4.1, the company has not made provision of ₹132.83 crores being the amount payable to L&DO for execution of lease deed of company's one of the property, hence to that extent provision for impairment of fixed assets is short made.</p>	<p>L&DO allotted a plot of land measuring 2.599 acres for constructing of office building. Lease Agreement was signed on 15.12.1975. In order to execute the perpetual lease, matter has been taken up with L&DO who has indicated an expenditure of ₹132.83 crore on various account for facilitating execution of Perpetual Lease. The demand raised by L&DO has been examined and some discrepancies/factual inaccuracies are noticed and same have been taken up with L&DO. Thus, the demand letter raised by L&DO is under review by them. The actual liability is therefore not ascertainable at present. Hence no provision was considered necessary.</p>
<p>(iv) Reference is invited to Note no. 9.16 as regard provision of ₹3.58 crore made against ₹10.53 crore recoverable from one of the business associate, the management has considered ₹6.13 crore towards value of immovable property provided as security. Since the company is not able to sale the property inspite of various auctions, hence in our opinion till realization of such security, its value should not be considered for ascertainment of provision for doubtful debts. Had the company made the provision of said amount, net profit of current year would have been lower by ₹5.77 crore, retained earning and trade receivable (current assets) would have been lower by ₹5.77 crore.</p>	<p>Trade receivables includes an amount of ₹10.53 crore (₹10.53 crore), recoverable from one of the business associate for sale of met coke. A provision of ₹3.58 crore has been made against the dues. The balance dues are secured by mortgage of free hold land. M/s. Cushman wakefield, who had previously valued the property, has been appointed to sell the property. Process of selling the property is in advance stage. For recovery of the balance dues, claim has been filed with NCLT through IRP. The company has filed legal and criminal case against the business associate which are being followed up. In view of above no provision is considered necessary at this stage.</p>
<p>(v) Mumbai branch auditor has reported that debit balances appearing in Bhopal branch pertaining to security deposit and loans & advances of ₹0.19 crore has not been written off pending approval from competent authority. Had the company written off these balances, net profit of current year would have been lower by ₹0.19 crore, retained earning and deposits and loans & advances would have been lower by ₹0.19 crore.</p>	<p>The debit balance represent deposit with telephone authorities, sales tax authorities, MPEB and other sundry deposit etc. The Branch has been advised to examine the details and arrange other back up papers to justify the deposits in books of accounts. However necessary actions would be taken during the current financial year i.e. 2018-19.</p>
<p>Emphasis of matters: a. Reference is invited to Note no. 20.2 & 20.5, the bank accounts of the company are classified as non performing asset by all the financing banks due to non payment of dues by the company. The company has prepared the accounts on going concern basis considering the various actions being taken by the management under the supervision of the administrative ministry.</p>	<p>The Company is primarily in the business of trade with 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 is fully equipped with the necessary infrastructural facilities to undertake any volume of business operations.</p> <p>For last few years the company is facing mismatch in inflows and outflows of funds due to huge recoverable from business associates who had defaulted in making timely payment to STC. Legal actions have been taken for recovery from the associates.</p> <p>All these have led to temporary financial crunch. The source of current liquidity crunch faced by STC is not structural deficiency but the problem on account of some transactions which we are trying to resolve. The company has appointed financial advisor for restructuring of existing loans and for raising additional loans. The funds raised would be used for executing perpetual Lease deed of office complex JVB. After executing perpetual Lease deed, there would be substantial increase in value of the property. The company then proposes to raise additional working capital funds against the properties. Therefore, the Company has approached its lender banks for an appropriate resolution plan with the objective to meet the operations of the company viable and sustainable.</p>

	<p>In view of below mentioned points, it is believed that we shall be in a position to confidently sail as a going concern.</p> <ol style="list-style-type: none"> 1. Ministry of Commerce has issued a Letter of Comfort for an amount of Rs. 500 crore. The adequate support of Ministry of Commerce, Govt. of India, re-establishes our faith as a going concern entity. 2. Substantial amount is expected to be recovered from various associates in the coming years. 3. 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. <p>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.</p>
<p>b. Reference is invited to Note no. 38.3, regarding contingent liability of ₹83.32 crore payable to foreign supplier as per arbitral award, the company has filed an appeal against the arbitration award in the Hon'ble Delhi High Court and Company deposited ₹33.05 crore with court as per direction of Delhi High Court. Court proceedings are completed and Court judgement is reserved. The transaction was undertaken on behalf of Department of Fertilizer (DOF) and is being regularly followed up. Hence, no provision is considered necessary.</p>	<p>In the said transaction, on the directions of DOF, STC had directed the supplier to restrict the quantity of urea import on Govt account. The party supplied contracted quantity for which DOF paid at reduced market rate to STC.</p> <p>As STC was out of pocket for the differential amount, STC invoked PBG of M/s Helm and encashed Rs. 33.05 crore. The supplier did not accept encashment of their PBG and the matter was referred to Arbitration, where the majority award was pronounced against STC. An appeal was then filed by STC in High Court who upheld the decision of Arbitral Award. STC has now filed an SLP in Supreme Court.</p> <p>STC has been regularly updating the matter to DOF, MOC and STC's Board. STC has also been requesting DOF to release Rs. 33.05 Crore deposited by STC in Hon'ble High Court.</p> <p>DOF vide their letter dated 03.04.2017 had refuted STC's claim.</p> <p>On the representation of STC, Secretary, MOC vide their letter dated 16.06.2017 to Secretary DOF had taken up the matter with DOF for early resolution.</p>
<p>c. Reference is invited to Note no. 38.4, regarding contingent liability of ₹90.73 crore along with interest payable to a foreign supplier on account of import of pulses in earlier years as per majority arbitration award passed in favour of foreign supplier. The company has filed an appeal against the majority arbitration award in the Hon'ble Delhi High Court. This transaction was undertaken on behalf of Ministry of Consumer Affairs (MOCA), which is being regularly followed -up. In view of above, no provision is considered necessary.</p>	<p>STC imported Pulses under the 15% subsidy scheme based on directions received from Ministry of Consumer Affairs, GOI from time to time. Under the scheme, STC contracted for import of 160000 MT pulses. However after supply of initial quantity of 90660 MT, STC abrogated the agreement. The matter pertaining to abrogation of contracted quantities, which was in line with directions received, was immediately also brought to the knowledge of Ministry of Consumer Affairs and also to Ministry of Commerce who in turn during early March, 2009 referred the same to Central Vigilance Commission (CVC) for their advice. Subsequently Secretary (CVC) vide his letter dated 24.03.2009 addressed to Commerce Secretary explicitly directed STC to abrogate any balance quantity under the said contract. The party thereafter initiated legal proceedings against STC.</p>



	<p>The majority tribunal (two members) passed the award in the favour of the claimant for Rs.68.05 crore with interest @ 4% per annum from 01.12.2009 till payment. from STC covering the shipments for the months of November and December, 2008. One member of tribunal (Presiding Arbitrator) has given dissent award, which basically disallows the claim for December, 2008 shipment, which works out to Rs.35.20 Crore (approx.). STC has challenged the Arbitral Award in totality under Section 34 of the Arbitration Act in the High Court at Delhi and the same is filed under Original Miscellaneous Petition (O.M.P) No. 2/2014, as important case facts pertaining to the transaction have been overlooked by the Arbitrators</p> <p>Further STC has taken parallel action through Ministry of Commerce where it has sought their intervention for taking up this case matter with Ministry of Consumer Affairs, for initiation of appropriate steps for compensating STC in the event STC is required to pay award amount through judicial process. Further, Vide letter dated March 30, 2009, Commerce Secretary has also written a letter to Department of Consumer Affairs to compensate for the losses. STC is also taking up the matter with Ministry of Consumer Affairs.</p> <p>STC has already challenged the Arbitral Award and the said matter is under hearing at the Delhi High Court. The last hearing in the matter was held on 16.07.2018 and the next date of hearing has been fixed for 30.07.2018 for arguments. STC is making all out efforts in order to strengthen STC's argument in the case.</p> <p>The matter is presently Sub-Judice and also under consideration of Ministry of Consumer Affairs and Department of Commerce.</p>
d. Reference is invited to Note no.14.2 regarding trade advance of ₹87.39 crore recoverable from one of parties against which the company has initiated legal actions including criminal proceedings. Pending outcome of legal steps initiated for recovery, full provision of ₹87.39 crore was made in earlier year. However, the company was successful in getting arbitration award of ₹110.00 crore in its favour along with 12% interest per annum from 1st May 2006 till realization of award which has been objected by the party and hearing is pending before Hon'ble High Court, New Delhi.	<p>STC had financed Rs.124.79 Crore to an associate for purchase of old fertilizer plant from a public sector company. During the transaction, a sum of Rs.37.40 crore was only recovered leaving a balance amount of Rs. 87.39 Crore for recovery. STC filed various court cases including arbitration proceedings against the Party. Arbitration award of Rs.110 Crore plus interest was pronounced in favour of STC. The party filed objections under section 34 of Arbitration and Conciliation act, 1996 before the Hon'ble High Court, New Delhi, which is pending for hearing.</p> <p>After the amendment of Arbitration and Conciliation act, 1996 in October,2015, the arbitral award can be put to execution during the pendency of objection u/s 34 of the Act. STC has filed petition for execution of Arbitral award in favour of STC in Hon'ble High Court, New Delhi.</p> <p>There is an arbitral award dated 14.12.2016 passed in favour of M/s MMT in its arbitration with NLC in another matter between NLC and MMT. STC has filed an application in the Delhi High Court to secure the said awarded amount in STC's favour. Delhi High Court directed NLC to inform STC about the outcome of objection petition filed by them challenging the award dated 14.12.2006 in the court of District Judge Cuddalore, Tamilnadu before releasing any amount in favour MMT, if at all any amount so required to be released.</p>

<p>e. Reference is invited to Note no. 11.4 regarding Non Current Claim Recoverable under other financial assets ₹3.92 Crore recoverable from one of the business associate and counter claim against company for an amount of ₹39.41 crore (₹39.41 crore) by an associate. Legal proceedings are going on, As per the legal opinion obtained the ultimate outcome of the case may be in favour of company. Hence no provision and liability has been recognized in this respect.</p>	<p>One of the associate submitted an indent for import of bullion and requested STC to book forward cover of the provisional value of the indent. The forward cover was later on cancelled by STC at the request of associate. The exchange gain arising out of cancellation of forward cover was wrongly paid to associate. In order to recover the money STC appropriated the amount of deposit lying in the credit of Holding Company of the associate. An amount of Rs. 3.92 crore is recoverable from the associate company.</p> <p>Meanwhile the Holding Company has filed a case against the STC for wrongfully appropriating the securities. The matter is under arbitration. As per legal opinion obtained, in case of recoverable amount of Rs. 3.92 crore + interest, the ultimate outcome of the case may be in favour of STC. Hence no provision was made and no liability was recognized in this respect.</p>
<p>f. Reference is invited to Note no. 22.2 regarding claim of Rs. 80.03 crore towards property tax dues raised by NDMC, New Delhi on the company. The company has made the part payment of ₹20 crore pending the review of assessment by NDMC and judgment of appeals filed there against in Hon'ble Patiala House District Court New Delhi.</p>	<p>STC has paid an amount of ₹20 crore and ₹2.12 crore to NDMC during 2016-17 against its demand of ₹80.03 crore. For the balance amount, a provision has been made in the books of accounts during the FY.2016-17. However, STC has filed a legal case against NDMC in Patiala House Court of Delhi alleging that the property tax was wrongly calculated. The matter is still under litigation.</p>
<p>g. Reference is invited to Note no. 9.6, regarding non current trade receivable ₹568.44 crore on account of export of pharma products to foreign buyers on back to back basis. As there is default in the payment against export bills by the buyers which have ultimately gone into liquidation, litigation process have been initiated by the Company as well as by Indian Associates and their bankers. A claim of ₹527.86 crore has been admitted by the liquidator and decree for ₹62.47 crore by Hon'ble High Court Mumbai. There is however corresponding credit balance of ₹568.44 crore under trade payables. Management does not anticipate any liability on this account.</p>	<p>STC had exported pharmaceutical products for and on behalf of an associate to foreign buyers on back to back basis. The payment to the suppliers was to be made only upon realization of export proceeds from foreign buyers. However, the entire export proceeds could not be realized. The bills of exchange were accepted by STC conditionally (subject to realization of export proceeds from foreign buyers), the associate discounted the same from the bankers against their limits. Banks have filed cases for recovery of their dues in DRTs making STC also a party to the proceedings. In one case a decree for an amount of Rs. 63 crore has been awarded by Mumbai High Court in favour of STC.</p> <p>STC is not out of pocket as on date and, as the transaction was on back to back basis, no liability on STC is anticipated.</p>
<p>h. Reference is invited to Note no.9.9, regarding non-current trade receivable of ₹787.65 crore under the Credit Linked Insurance Scheme (CLIS) for export of gold jewellery etc. against which corresponding credit balance of ₹342.19 crore are available, leaving net receivable of ₹445.46 crore. Actions against the Business Associate have been initiated. The matter is being pursued legally and company is hopeful of recovery. As a measure of abundant caution, full provision of ₹445.46 crore being net receivable, has been made in earlier year.</p>	<p>Under the scheme, Post Shipment Finance was taken from Exim Bank to finance the export transaction. As per the agreement, the repatriation of the export proceeds was the responsibilities of associates. In some cases, the overseas buyers defaulted in payment, and the export proceeds was not realized. The matter is being pursued legally and company is hopeful of recovery. The matter is also under investigation by the concerned agencies. As a measure of abundant caution full provision of net receivable has been made. Under the circumstances, there is no likelihood of adverse impact on the reported figures in the financial statement. However, actual amount recoverable from the associate is much higher.</p>

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<p>i. Reference is invited to Note no. 9.7, regarding non-current trade receivables of ₹9.83 crore (net of provision for diminution in value of stock) recoverable from one of the business associates for goods sold in earlier years. The overdue is secured by pledge of stocks in favour of STC. Upon non-payment of overdue receivables, legal actions have been initiated against the business associate u/s 138 of Negotiable Instruments Act, 1881 and civil hearings are in progress. Another PSU company MSTC had made a claim in respect of ownership of some of the pledged stock sold by the STC to business associate. The case is pending at Hon'ble Mumbai High Court.</p>	<p>Associate submitted four cheques valuing Rs.8.62 Cr which were deposited with the bank. Consequent upon dishonoring of the same, statutory notice and criminal complaints u/s 138 of the N.I. Act were filed before MM Court, PHC which are pending. Next date of hearing is 26.10.2018.</p> <p>Since M/s MSTC tried to take over the stocks pertaining to STC stored in the premises of associate and under the control of CWC, a declaratory suit was filed by STC before Panvel Court. Court directed MSTC and STC to suggest names of auctioning agency, through which stocks would be sold. Next date of hearing is 20.08.2018.</p>
<p>j. Reference is invited to Note no.9.10, regarding other trade receivables of ₹41.92 crore on account of export of agro commodities to foreign buyers through Indian business associates against which credit balance of ₹41.92 crore is available under trade payable. The foreign buyer defaulted in making payment and upon non-receipt of the dues from business associate, the Company has initiated necessary legal steps against business associates for recovery. Considering the legal enforceability of the agreement and corresponding credit of ₹41.92 crore, no provision is considered necessary.</p>	<p>The foreign buyer defaulted in making payment and upon non-receipt of the dues from the business associates, the company has initiated necessary legal steps for its recovery. As corresponding credit of ₹ 41.92 crore is available under the back to back agreement, no provision is considered necessary. However, actual amount recoverable from the associate is much higher.</p>
<p>k. Reference is invited to Note no.11.3, regarding claim recoverable of Rs. 5.48 crore from one of the business associate on account of quality variations in material supplied. Considering the current status, no provision is considered necessary by the company.</p>	<p>STC has imported urea on behalf of DoF. Due to variation in particle size a claim of ₹ 5.48 crore has been lodged with the foreign supplier. Matter is being pursued for recovery.</p>
<p>l. Reference is invited to Note no.9.2, regarding current trade receivables of ₹89.75 Crore which is overdue on account of pending reconciliation issues/performance guarantee. No provision has been considered necessary by the company since the outstanding amount is secured by corresponding credit balance available in sundry creditors.</p>	<p>STC exported steel plates to a foreign associate on the basis of back up supplies from Indian associates on back to back basis. An amount of ₹89.75 crore is recoverable from foreign associate which was retained by them in accordance with the agreement. Efforts are being made to revive the Contract which expired on 12.01.2017. STC funds are not involved because Indian associate would be paid on receipt of the same from the foreign associate. In view of above, no provision was considered necessary as there is corresponding credit available in books of accounts.</p>
<p>m. Reference is invited to Note no. 9.11, regarding non current trade receivable of ₹10.21 crore recoverable from MARKFED, Govt. of Maharashtra (GOM) towards supply of RBD Palmolen under PDS Scheme during the years 2010-11 and 2011-12, pending for final reconciliation at their end. Matter is being constantly taken up with MARKFED, Govt. of Maharashtra for recovery. As a matter of prudence, full provision of ₹10.21 crore has been made during the previous year 2016-17.</p>	<p>The matter pertaining to STC claim is being regularly followed up with MARKFED, Govt. of Maharashtra. However, as a matter of prudence, a provision of Rs. 10.21 Cr has been made by STC during the F.Y. 2016-17.</p>
<p>n. The credit of input tax payable to recipient of common maintenance services provided by the company at its Delhi office is not determined and transferred to recipients as required by Section 171 of Delhi GST Act, 2017 and CGST Act, 2017.</p>	<p>Actions have been initiated to determine the amount of Input Tax credit payable, if any, to the recipients of common maintenance services.</p>

<p>o. Reference is invited to Note no. 9.3, regarding non current trade receivable of Rs. 122.95 crore from one of the business associate for goods sold in the earlier years which is overdue. STC has filed compliant for commission of offences under section 405, 406, 409, 415 & 420 read with sec. 107, 120-B, 34 of Indian Penal Code in the court of Judicial Magistrate (First Class) against the associate. As a matter of prudence, full provision for Rs. 122.95 crore had been made in previous year.</p>	<p>STC has filed criminal complaint on 28.09.2016 for breach of trust , abetment, cheating, criminal conspiracy etc. u/s 405, 406, 409, 420, 107, 120-B, 34 of I.P.C. in District Court, Jhagadia against key officials of JCL, ARCIL and ICICI bank. The Gujarati version of the complaint has been filed before the Court. Now the matter is posted for deposition of the Complainant/STC on the next date of hearing i.e. 23.08.2018.</p> <p>STC has also filed a criminal complaint with CBI on 12.06.2018 in respect of trade transactions with JCL.</p> <p>As a prudent practice provision of Rs 122.95 Crore has been made during the F.Y. 2016-17. However, actual amount recoverable is much more.</p>
<p>p. Reference is invited to Note no. 51 & 52 relating to pending reconciliation/ confirmation of balances in parties accounts, claims recoverable, advances and current and other liabilities and consequential adjustment that may arise on reconciliation.</p>	<p>Balances of Debtors/Creditors and liabilities are being reconciled after completion of each transactions and the accounts settled with the associates. However, confirmation in r/o debtors/creditors involving legal cases are not obtained as it may affect the legal proceedings.</p>
<p>q. Reference is invited to Note no. 9.8 regarding noncurrent trade receivables of Rs.17.28 crore recoverable from one of the business associates for goods sold in earlier years. Criminal complaints u/s 138 of Negotiable Instruments Act, 1881 and contempt application filed before Hon'ble High Court, New Delhi are under progress against the business associate. As a matter of prudence, provision for full amount of Rs.17.28 crore had been made in previous year.</p>	<p>STC has filed fresh affidavit & Form 32 for the purpose of issuance of summons to the accused persons before the court of MM-Patiala House Court, New Delhi. Next date of hearing is 13.09.2018.</p> <p>STC has filed contempt petition against associate before Delhi High Court for not adhering to their undertaking filed before MM Court. Court referred the matter to CBI for examination of claims. CBI submitted its Report/ calculations which were not accepted by STC. Now the matter is pending for arguments and next date of hearing is 24.09.2018.</p> <p>As a prudent accounting practice, provision for Rs 17.28 Crore has been made during the previous year. However, actual amount recoverable from the associate is much higher.</p>
<p>Annexure 'A' to Independent Auditor's Report:</p>	
<p>10. According to the information and explanations given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit except fraud of Rs. 5.63 crore by a business associate in Kolkata.</p>	<p>Against 2682 Mts stock of raw jute valued Rs 7.52 crore (approx.) pledged with the company; stock of only 156.92 Mts was found on physical verification done 04.04.2017 by High Court appointed Receiver. STC has filed FIR no 160/17 with the Police on 08.04.2017 against the associate and surveyor for alleged theft of material. Police has filed charge sheet dated 28.02.2018 before the court making Directors of associate and surveyor company as accused. STC has also initiated legal cases against the associate including Arbitration proceeding.</p>
<p>Annexure 'B' to Independent Auditor's Report: Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") Basis for Qualified Opinion (i) Following design gap are noticed in IFCFR such as lawyer's certificate not taken in litigation cases, monitoring and record keeping of pledged/owned inventory not maintained, ageing analysis and reconciliation with vendors not reviewed, manual calculations for leaves,</p>	<p>Necessary actions have been initiated to fill the design gaps in internal financial control.</p>



<p>no HR Software, insurance of goods, IT policy not documented, disaster management plan not documented, no data backup for divisions other than corporate accounts, data backup of accounting records not maintained for branches, maker checker mechanism not in place for sales invoicing, fixed assets tag numbers not maintained in fixed assets register, the risk control matrix neither been reviewed nor updated, huge gap in time lines fixed by the corporate account and actual reporting of financials by the divisions and branches etc.</p>	
<p>ii) With respect to Mumbai branch of the Company, the branch auditor has reported certain material weaknesses in internal financial control over financial reporting such as inadequate- IT & general controls, internal control system with regards to pledged inventory including maintenance of adequate records and physical verification, customer acceptance, credit evaluation and establishing customer credit limit, internal audit coverage, large financial exposure in litigated matters & pending statutory litigation involving tax demands, financial reporting system, compliance with statutory dues, maintenance of case wise legal expenses register, maintenance of fixed asset register, non availability of required information and documents in respect of old outstanding, security deposit, EMD, advances and other deposit received and paid.</p>	<p>The Company is in the process of conducting Special Audit of Mumbai branch in order to ascertain the reasons of weaknesses in the internal financial control as reported. Thereafter, necessary action would be taken accordingly.</p>
<p>Annexure 'A' to Independent Auditor's Report: 1(a). The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except that absence of proper tagging at Mumbai Branch,</p>	<p>Mumbai branch has been instructed to arrange proper tagging of all the fixed assets.</p>
<p>(b) The fixed assets were physically verified by the management during the year. We have been informed that no material discrepancies were noticed on such physical verification wherever done, except at Mumbai, Agra and Jalandhar branch where the management is in process of reconciling the discrepancies noticed on such physical verification.</p>	<p>Mumbai, Agra and Jalandhar branches have been requested to ascertain the discrepancies found during the course of Physical verification and initiate necessary action for reconciliation of the same with books of accounts.</p>
<p>(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except for immovable properties referred to in Annexure- E whose title deeds are not held in the company's name.</p>	<p>The title deed in r/o some of the properties located in Delhi, Mumbai & Jalandhar are not in the name of STC. Actions are being initiated in this respect in consultation with the concerned department for getting the perpetual lease deed/ other title deed in r/o the properties.</p>



गोपनीय

संख्या / No. PDCA/ND/CHQ/29-48/18-19/IV/454/A

भारतीय लेखापरीक्षा और लेखा विभाग,
कार्यालय प्रधान निदेशक वाणिज्यिक लेखापरीक्षा
एवं पदेन सदस्य, लेखापरीक्षा बोर्ड-1, नई दिल्ली

INDIAN AUDIT & ACCOUNTS DEPARTMENT,
OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL
AUDIT & EX-OFFICIO MEMBER, AUDIT BOARD-1, New Delhi

दिनांक / Dated : 07/08/2018

सेवा में,

अध्यक्ष एवं प्रबन्ध निदेशक,
दि स्टेट ट्रेडिंग कॉर्पोरेशन ऑफ इंडिया लिमिटेड
जवाहर व्यापार भवन, टॉलस्टॉय मार्ग
नई दिल्ली-110 001

विषय : 31 मार्च, 2018 को समाप्त वर्ष हेतु दि स्टेट ट्रेडिंग कॉर्पोरेशन ऑफ इंडिया लिमिटेड के वार्षिक लेखों (Standalone Financial Statements) पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियंत्रक महालेखा परीक्षक की टिप्पणियाँ

महोदय,

मैं इस पत्र के साथ 31 मार्च, 2018 को समाप्त वर्ष के लिए दि स्टेट ट्रेडिंग कॉर्पोरेशन ऑफ इंडिया लिमिटेड के वार्षिक लेखों (Standalone Financial Statements) पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियंत्रक महालेखा परीक्षक की शून्य टिप्पणियाँ अग्रेषित करती हूँ। इन शून्य टिप्पणियों को कम्पनी की वार्षिक रिपोर्ट में प्रकाशित किया जाए और कम्पनी की आमसभा में उसी समय व उसी प्रकार रखा जाए जिस प्रकार वैधानिक लेखा परीक्षकों की लेखा रिपोर्ट रखी जाती है।

संलग्न : शून्य टिप्पणियाँ

भवदीया,
हस्ताक्षर
(प्राची पाण्डेय)
प्रधान निदेशक

तृतीय तल, ए-स्कन्ध, इन्द्रप्रस्थ भवन, एस्टेट, नई दिल्ली-110002
3rd Floor, A-Wing, Indraprastha Bhawan, I.P. Estate, New Delhi-110002
दूरभाष / Tele.: 011-23378473, फ़ैक्स / Fax: 011-23378432, 011-23370871
E-mail : mabnewdelhi1@cag.gov.in



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF THE STATE TRADING CORPORATION OF INDIA LTD. FOR THE YEAR ENDED 31 MARCH 2018

The preparation of financial statements of **THE STATE TRADING CORPORATION OF INDIA LTD.** for the year ended 31 March, 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 28 May 2018.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of **THE STATE TRADING CORPORATION OF INDIA LTD.** for the year ended 31 March 2018. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records, On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

For and on behalf of the
Comptroller and Auditor General of India

Place : New Delhi
Dated : 07 August 2018

Sd/-
(Prachi Pandey)
Principal Director of Commercial Audit
& Ex-officio Member Audit Board-I,
New Delhi

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

As at March 31, 2018

(₹ in Crore)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	STCL Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as holding company
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupees
4.	Share capital	1.50
5.	Reserves & surplus	IND AS Complied Accounts not available
6.	Total assets	
7.	Total Liabilities	
8.	Investments	
9.	Turnover	
10.	Profit before taxation	
11.	Provision for taxation	
12.	Profit after taxation	
13.	Proposed Dividend	
14.	% of shareholding	100

- Notes:** 1. Names of subsidiaries which are yet to commence operations-NIL
2. Names of subsidiaries which have been liquidated or sold during the year-NIL

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

As at March 31, 2018

(₹ in Crore)

Sl. No.	Name of associates/Joint Ventures	NSS Satpura Development Company Limited
1.	Latest audited Balance Sheet Date	Not Available
2.	Shares of Associate/Joint Ventures held by the company including subsidiary company on the year end- No.	200000
3.	Amount of Investment in Associates/Joint Venture (₹)	2000000
4.	Extend of Holding%	50
5.	Description of how there is significant influence	Not Available
6.	Net worth of the Company	Not Available
7.	Reason why the associate/joint venture is not consolidated	Audited Accounts not available
8.	Net worth attributable to shareholding as per latest audited Balance Sheet	Not Available
9.	Profit/Loss for the year	
	i. Considered in Consolidation	Not Available
	ii. Not Considered in Consolidation	Not Available

Note: The requisite information in respect of associate companies namely Richfield Aquatech Ltd, Blue Gold Maritech Ltd., National Tannery Company Ltd. & Indopirin Gloves Limited is not readily available. As these companies are dormant/under liquidation.

As per our report of even date attached

For P. JAIN & COMPANY
Chartered Accountants
Firm Reg. No. 000711C

Sd/-
(PANKAJ JAIN)
Partner
M. No. 097279

Sd/-
(RAJIV CHOPRA)
Director (Marketing) with
additional charge of CMD
DIN -06466326

Sd/-
B R DHAWAN
CGM-Finance

Sd/-
(S.K. SINGHAL)
GM-F & CFO

Sd/-
(KAMLESH KUMARI)
Company Secretary
ACS -24616

Place: New Delhi
Dated: 28.05.2018



CONSOLIDATED FINANCIAL RESULTS 2017-18

INDEPENDENT AUDITOR'S REPORT

To the Members of
The State Trading Corporation of India Limited
Report on the Consolidated Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **THE STATE TRADING CORPORATION OF INDIA LIMITED** ("the Holding Company") and its subsidiary (collectively referred as "the Group"), which comprise the consolidated Balance Sheet as at 31st March, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Financial Statements

The Holding Company's Board of Directors is responsible for preparation of these consolidated Ind AS financial statements in terms of requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated change in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder. The respective Board of Directors of Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the directors of the Holding Company as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Basis for Qualified Opinion

- (i) Reference is invited to Note no. 9.5 and 26.1, Trade receivable includes Rs. 2076.70 crore (previous year Rs. 1904.24 crores) and other income includes interest of Rs. 259.47 crore (previous year Rs. 231.93) booked during the current year on over dues from one of the business associates on account of goods supplied in earlier years. The dues are stated to be secured by EMD of Rs. 29.73 crore and personal guarantee of chairman of its holding company. Consequent upon Conciliation Agreement dated 15.11.2011 and further settlement agreement dated 17.05.2012 the entire dues were payable to the company by 10.11.2012. During the year, the Business Associate remitted an amount of Rs. 100 crore (previous year Rs. 70.18 crore) on the directions of Hon'ble Supreme Court. Considering the poor recovery, non-availability of security, dispute by party with respect to interest charged, and age of outstanding dues, interest income should not be recognized as per concept of prudence.



Considering the overall circumstances surrounding the recoverability of outstanding dues of Rs. 2076.70 crores, we are not in a position to ascertain whether the amount is fully recoverable or not. We are informed by the management that petition for execution of decree as per Conciliation Agreements under the Arbitration and Conciliation Act, 1996 has been filed before the Hon'ble Supreme Court wherein it has been held that decree is final. The party has submitted payment proposal before the Hon'ble Apex Court which is still subjudice before the Hon'ble Apex Court. Cases U/s 138 of Negotiable Instruments Act are also filed by the holding company before the Hon'ble High Court Delhi. The Enforcement Directorate and CBI are also investigating into the matter about cheating and fraud done by the party. We have also been provided affirmative Board Resolution dt. 14.02.2017 and outcome dt. 30.05.2017 that all possible efforts are extended for recovery of the dues through legal process and holding company is assured of recovering the dues.

- (ii) With respect to contingent assets disclosed, the management has not provided any substantive evidence in support of probability of recovery, hence we are not in a position to form an opinion thereon.
- (iii) Reference is invited to Note 4.1, the holding company has not made provision of ₹132.83 crores being the amount payable to L&DO for execution of lease deed of holding company's one of the property, hence to that extent provision for impairment of fixed assets is short made.
- (iv) Reference is invited to Note no. 9.16 as regard provision of Rs. 3.58 crore made against Rs. 10.53 crore recoverable from one of the business associate, the management has considered Rs. 6.13 crore towards value of immovable property provided as security. Since the holding company is not able to sale the property inspite of various auctions, hence in our opinion till realization of such security, its value should not be considered for ascertainment of provision for doubtful debts. Had the holding company made the provision of said amount, net loss of current year would have been higher by Rs. 5.77 crore, retained earning and trade receivable (current assets) would have been lower by Rs. 5.77 crore.
- (v) Mumbai branch auditor has reported that debit balances appearing in Bhopal branch pertaining to security deposit and loans & advances of Rs. 0.19 crore has not been written off pending approval from competent authority. Had the holding company written off these balances, net loss of current year would have been higher by Rs. 0.19 crore, retained earning and deposits and loans & advances would have been lower by Rs. 0.19 crore.

The cumulative effect of above observations (i), (iii), (iv) & (v) is that net loss of current year would have been higher by Rs. 398.26 crore, retained earning and assets would be lower by Rs. 398.26 crore and Rs. 265.43 crore respectively and claims payable would have been higher by ₹132.83 crore.

Emphasis of Matters

We draw attention to the following matters in the Notes to the consolidated Ind AS financial statements:

- a) Reference is invited to Note no. 20.3 & 20.5, the bank accounts of the holding company are classified as non performing asset by all the financing banks due to non payment of dues by the holding company. The holding company has prepared the accounts on going concern basis considering the various actions being taken by the management under the supervision of the administrative ministry.
- b) Reference is invited to Note no. 38.3, regarding contingent liability of Rs. 83.32 crore payable to foreign supplier as per arbitral award, the holding company has filed an appeal against the arbitration award in the Hon'ble Delhi High Court and Holding company deposited Rs. 33.05 crore with court as per direction of Delhi High Court. Court proceedings are completed and Court judgement is reserved. The transaction was undertaken on behalf of Department of Fertilizer (DOF) and is being regularly followed up. Hence, no provision is considered necessary.
- c) Reference is invited to Note no. 38.4, regarding contingent liability of Rs. 90.73 crore along with interest payable to a foreign supplier on account of import of pulses in earlier years as per majority arbitration award passed in favour of foreign supplier. The holding company has filed an appeal against the majority arbitration award in the Hon'ble Delhi High Court. This transaction was undertaken on behalf of Ministry of Consumer Affairs (MOCA), which is being regularly followed -up. In view of above, no provision is considered necessary.
- d) Reference is invited to Note no.14.2 regarding trade advance of ₹87.39 crore recoverable from one of parties against which the holding company has initiated legal actions including criminal proceedings. Pending outcome of legal steps initiated for recovery, full provision of ₹87.39 crore was made in earlier year. However, the holding company was successful in getting arbitration award of Rs 110.00 crore in its favour along with 12% interest per annum from 1st May 2006 till realization of award which has been objected by the party and hearing is pending before Hon'ble High Court, New Delhi.
- e) Reference is invited to Note no. 11.4 regarding Non Current Claim Recoverable under other financial assets ₹3.92 Crore recoverable from one of the business associate and counter claim against holding company for an amount of ₹39.41 crore (₹39.41 crore) by an associate. Legal proceedings are going on, As per the legal opinion obtained the ultimate outcome of the case may be in favour of holding company. Hence no provision and liability has been recognized in this respect.

- f) Reference is invited to Note no. 22.1 regarding claim of ₹80.03 crore towards property tax dues raised by NDMC, New Delhi on the holding company. The holding company has made the part payment of Rs. 20 crore pending the review of assessment by NDMC and judgment of appeals filed there against in Hon'ble Patiala District Court New Delhi.
- g) Reference is invited to Note no. 9.6, regarding non current trade receivable Rs. 568.44 crore on account of export of pharma products to foreign buyers on back to back basis. As there is default in the payment against export bills by the buyers which have ultimately gone into liquidation, litigation process have been initiated by the Holding company as well as by Indian Associates and their bankers. A claim of Rs. 527.86 crore has been admitted by the liquidator and decree for Rs. 62.47 crore by Hon'ble High Court Mumbai. There is however corresponding credit balance of Rs. 568.44 crore under trade payables. Management does not anticipate any liability on this account.
- h) Reference is invited to Note no. 9.9, regarding non current trade receivable of Rs. 787.65 crore under the Credit Linked Insurance Scheme (CLIS) for export of gold jewellery etc. against which corresponding credit balance of Rs. 342.19 crore are available, leaving net receivable of Rs. 445.46 crore. Actions against the Business Associate have been initiated. The matter is being pursued legally and holding company is hopeful of recovery. As a measure of abundant caution, full provision of Rs. 445.46 crore being net receivable, has been made in earlier year.
- i) Reference is invited to Note no. 9.7, regarding non current trade receivables of Rs.9.83 crore (net of provision for diminution in value of stock) recoverable from one of the business associates for goods sold in earlier years. The overdue is secured by pledge of stocks in favour of STC. Upon non-payment of overdue receivables, legal actions have been initiated against the business associate u/s 138 of Negotiable Instruments Act, 1881 and civil hearings are in progress. Another PSU company MSTC had made a claim in respect of ownership of some of the pledged stock sold by the STC to business associate. The case is pending at Hon'ble Mumbai High Court.
- j) Reference is invited to Note no.9.10, regarding other trade receivables of Rs.41.92 crore on account of export of agro commodities to foreign buyers through Indian business associates against which credit balance of Rs.41.92 crore is available under trade payable. The foreign buyer defaulted in making payment and upon non-receipt of the dues from business associate, the Holding company has initiated necessary legal steps against business associates for recovery. Considering the legal enforceability of the agreement and corresponding credit of Rs.41.92 crore, no provision is considered necessary.
- k) Reference is invited to Note no.11.3, regarding claim recoverable of Rs. 5.48 crore from one of the business associate on account of quality variations in material supplied. Considering the current status, no provision is considered necessary by the holding company.
- l) Reference is invited to Note no. 9.2, regarding current trade receivables of Rs. 89.75 Crore which is overdue on account of pending reconciliation issues / performance guarantee. No provision has been considered necessary by the holding company since the outstanding amount is secured by corresponding credit balance available in sundry creditors.
- m) Reference is invited to Note no. 9.11, regarding non current trade receivable of Rs. 10.21 crore recoverable from MARKFED, Govt. of Maharashtra (GOM) towards supply of RBD Palmolien under PDS Scheme during the years 2010-11 and 2011-12, pending for final reconciliation at their end. Matter is being constantly taken up with MARKFED, Govt. of Maharashtra for recovery. As a matter of prudence, full provision of Rs. 10.21 crore has been made during the previous year 2016-17.
- n) The credit of input tax payable to recipient of common maintenance services provided by the holding company at its Delhi office is not determined and transferred to recipients as required by Section 171 of Delhi GST Act, 2017 and CGST Act, 2017.
- o) Reference is invited to Note no. 9.3, regarding non current trade receivable of Rs. 122.95 crore from one of the business associate for goods sold in the earlier years which is overdue. STC has filed compliant for commission of offences under section 405, 406, 409, 415 & 420 read with sec. 107, 120-B, 34 of Indian Penal Code in the court of Judicial Magistrate (First Class) against the associate. As a matter of prudence, full provision for Rs. 122.95 crore had been made in previous year.
- p) Reference is invited to Note no. 51 & 52 relating to pending reconciliation/ confirmation of balances in parties accounts, claims recoverable, advances and current and other liabilities and consequential adjustment that may arise on reconciliation.
- q) Reference is invited to Note no. 9.8 regarding non current trade receivables of Rs.17.28 crore recoverable from one of the business associates for goods sold in earlier years. Criminal complaints u/s 138 of Negotiable Instruments Act, 1881 and contempt application filed before Hon'ble High Court, New Delhi are under progress against the business associate. As a matter of prudence, provision for full amount of Rs.17.28 crore had been made in previous year.
- r) Attention is drawn to Note No. 3.1 of the notes to consolidated Ind AS financial statements, which states that, the accounts of the Subsidiary Company are prepared based on the assumption that the Company is not 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 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 Subsidiary Company for recovery of their dues and all other liabilities at their settlement value.
- s) Attention is drawn to Note No.51(b) of Notes to consolidated Ind AS financial statements which states that, the balances in the accounts of Trade Receivable, Trade Payables, Business associates and Other Creditors are under litigation and no confirmation has been received from the parties.
- t) Attention is drawn to Note No. 22.5 of the Notes to consolidated Ind AS financial statements which states that, Interest payable of Rs. 3378.29 crore 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. Interest provision of Rs. 654.70 crore have been made by the subsidiary company for the current financial year. However, no confirmation is received from the banks for interest payable.
- u) Attention is drawn to Note No. 58-A to Notes to consolidated Ind AS financial statements which states that, in cases where the Subsidiary Company has made provision for Doubtful Debts, no further interest/addition margin of profit is recognized after they have been classified as doubtful debts. Rs 0.78 crore has been received from these parties during the year. As full provision has already made earlier, the same has been credited to Profit & Loss Account by reducing the provision. Only after the full receipt of the balance outstanding as per books, the interest/additional margin of profit will be recognized on cash basis
- v) Attention is drawn to Notes No. 20.6 of Notes to consolidated Ind AS financial statements which states that, the interest rates considered for computation of interest on short term borrowings related to devolved LC's are based on the claims of the consortium of banks with the Debt Recovery Tribunal (DRT)
- w) Attention is drawn to Note No. 38.10, 38.11 & 38.12 where it is mentioned that the Subsidiary Company has made provision for payment of interest as per the claim made by the consortium banks in the 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. 165.84 crore (included in Note 30) 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
- x) Attention is drawn to Note No. 20.6 of Notes to Consolidated Ind AS Financial Statements which states that, the total liability to banks along with interest amounting to Rs. 4563.55 crore is payable to consortium of seven banks and UCO Bank in respect of devolved LCs/Packing credits since 2008-09. Confirmation of outstanding interest has not been received from the banks. The Subsidiary Company has considered interest payable as claimed at the rates disclosed in their DRT application filed by UCO Bank and consortium of other Banks. Cash credit/short term loan is as per the DRT (Debt Recovery Tribunal) application filed by consortium of seven banks and UCO Banks on 20.07.2011. The above loan has been classified as NPA by consortium banks and UCO Bank. The Subsidiary Company has created pari-passu charge on current assets in favor of the banks and also surrendered the documents of immovable property situated at Chhindwara (3.239 hectares), Byadgi (5Acres), Siddapura (2.20 acres) and Madikeri (0.50 acres) in favor of the Bankers. In view of the immovable properties of STCL given as security, an estimated amount of Rs. 1.83 crore out of the total advances can be considered as secured. The consortium of bank and UCO Bank have filed cases separately against the Subsidiary Company with the DRT, wherein with regard to UCO Bank recovery case, DRT has passed an order dtd. 29.09.2015 for recovery of Rs. 148.18 crore, However, the Subsidiary Company has challenged DRT order at DRAT, Chennai. The banker has also issued notice u/s 13(2) of Securitization and Reconstruction of Financial Assets and enforcement of Security Interest Act, 2002. Further based on the above, the bankers have issued two Possession Notices one on 26.10.2011 on Factory Land and Building located at Byadagi and another on 17.11.2011 on Factory Land and Building located at Chhindwara, Madhya Pradesh
- y) Attention is drawn to Note No. 8.1 of the Notes to consolidated Ind AS financial statements with respect to investment in Shares of NSS Satpura Agro Development Corporation Ltd., which states as follows:
The Joint Venture Company has incurred losses and its cumulative losses is Rs. 0.30 crore up to 31st March 2013 and details of subsequent period are not available, the Subsidiary Company has written off Rs. 0.08 crore 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 Company Board approved in its 142nd Board Meeting held on 24.10.2013 for withdrawal from the Joint Venture Company NSSADCL

- z) Attention is drawn to Note. No. 38.14 which states that, subsequent to filing of arbitration petition of M/s Shiva Shankar Minerals Private Limited against STCL and on completion of arbitration process, Rs. 6.07 crore including legal fees of Rs. 0.27 crore was awarded in favour of M/s Shiva Shankar Minerals Private Limited, STCL has filed an appeal against the arbitration award which is pending before the City Civil Court, Bangalore.

Our opinion is not modified in respect of these matters.

Qualified Opinion

In our opinion and to the best of our information, according to the explanations given to us and except for the matters described in the Basis for Qualified Opinion paragraph referred above, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March, 2018 and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matters

We did not audit the Ind AS financial statements of one subsidiary included in the consolidated financial results, whose Ind AS financial statements reflect total assets of Rs. 8.25 crore as at March 31, 2018, total revenues of Rs. 0.27 crore for the year ended March 31, 2018, cash flows amounting to (-) Rs. 0.08 Crore, and total loss after tax of Rs. 656.86 for the year ended March 31, 2018, as considered in the consolidated Ind AS financial results. These Ind AS financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of other auditor on such audited Ind AS financial statements of the subsidiary.

Our opinion on the consolidated Ind AS financial statements and our report on other legal and regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor and the Ind AS financial statements certified by the Management.

Attention is drawn to note no. 46-B regarding non consolidation of financial statements of Joint Ventures: namely NSS Satpura Agro Development Co. Limited, and associates Richfield Aquatech Ltd, Blue Maritech Ltd, National Tannery Company Ltd, Indopirin Gloves Ltd due to non-availability of financial statements for the year 2017-18. However, as regards M/s Sealac Agro Ventures Limited no details were available, therefore not considered in consolidated financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report to the extent applicable that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements except
 - (i) certain records/information at Mumbai branch of Holding Company and
 - (ii) balance confirmation of parties as mentioned in para no. (p) above under Emphasis of Matters.
 - (b) Except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the report of other auditor, however the system of maintaining stock records by branch of Holding Company with respect to goods kept with third party needs to be further strengthened.
 - (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - (d) Except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
 - (e) The matters described in the Basis of Qualified Opinion paragraph above, in our opinion may have an adverse effect on functioning of the Group and since the subsidiary company is in the process of winding up, the issue as to whether the observation or comments of auditor's have any adverse effect on functioning of the subsidiary company does not arise.

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- (f) Being a Government Company, section 164(2) of Companies Act, 2013 regarding whether any director is disqualified from being appointed as a director is not applicable to the Company in view of notification no. G.S.R.463 (E) dt. 05.06.2015.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure 'A', and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group refer Note No. 38 to the consolidated Ind AS financial statements.
 - ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

For P. Jain & Company
Chartered Accountants
Firm Regn. No. 000711C

(Pankaj Jain)
Partner
M. No. 097279

Place : New Delhi
Date : 10.08.2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (I) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of THE STATE TRADING CORPORATION OF INDIA LIMITED (hereinafter referred to as "the Holding Company") as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting (IFCFR)

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



Basis for Qualified Opinion

- A. With respect to holding company, following material weaknesses have been identified as at 31st March, 2018.
- (i) Following design gap are noticed in IFCFR such as lawyer's certificate not taken in litigation cases, monitoring and record keeping of pledged/owned inventory not maintained, ageing analysis and reconciliation with vendors not reviewed, manual calculations for leaves, no HR Software, insurance of goods, IT policy not documented, disaster management plan not documented, no data backup for divisions other than corporate accounts, data backup of accounting records not maintained for branches, maker checker mechanism not in place for sales invoicing, fixed assets tag numbers not maintained in fixed assets register, the risk control matrix neither been reviewed nor updated, huge gap in time lines fixed by the corporate account and actual reporting of financials by the divisions and branches etc.
 - (ii) With respect to Mumbai branch of the Company, the branch auditor has reported certain material weaknesses in internal financial control over financial reporting such as inadequate- IT & general controls, internal control system with regards to pledged inventory including maintenance of adequate records and physical verification, customer acceptance, credit evaluation and establishing customer credit limit, internal audit coverage, large financial exposure in litigated matters & pending statutory litigation involving tax demands, financial reporting system, compliance with statutory dues, maintenance of case wise legal expenses register, maintenance of fixed asset register, non availability of required information and documents in respect of old outstanding, security deposit, EMD, advances and other deposit received and paid.
 - (iii) Reference is invited to Note no. 51 & 52 relating to pending reconciliation/ confirmation of balances in parties accounts, claims recoverable, advances and current and other liabilities and consequential adjustment that may arise on reconciliation.
- B. With respect to subsidiary company following material weaknesses have been identified as at 31st March, 2018
- 1) The subsidiary Company did not have appropriate internal control with respect to reconciliation of Trade Receivables, Trade Payables, other Creditors and Business Associates, which could result in the material misstatement in books of accounts.
 - 2) The lease rent of steam sterilization unit located in Chhindwara, Madhya Pradesh was not collected during the period of lease i.e. November, 2013 till the lease was terminated as on 31st January 2015. The subsidiary Company has not exercised its right to terminate the lease despite rent remaining unpaid throughout the lease period. The subsidiary Company has not filed any suit against the lessee for recovery of its dues.
 - 3) The subsidiary Company has rent advance to the tune of Rs. 3.68 crore with holding company, given towards occupation of earlier premises taken from holding company which has been terminated.
 - 4) The Board of Directors of subsidiary Company had delegated certain powers to the Managing Director of the company vide 107th Board Resolution dated 27th January, 2006, however, no review of the same has been made subsequently till date.

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

Qualified Opinion

In our opinion, the Holding Company and its one subsidiary company which are entities incorporated in India, have, except for effects of the material weaknesses described above on achievement of the objectives of the control criteria, the Holding Company and its one subsidiary company has maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which is the company incorporated in India, is based on the corresponding report of the auditor of subsidiary company incorporated in India.

For P. Jain & Company
Chartered Accountants
Firm Regn. No.000711C

Place : New Delhi
Date : 10.08.2018

(Pankaj Jain)
M. No. 097279

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(Amount in ₹ Crore)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	4	605.01	621.00	639.85
(b) Capital work-in-progress	5	2.10	0.98	0.48
(c) Investment property	6	312.50	313.02	309.19
(d) Other intangible assets	7	0.10	0.02	0.03
(e) Financial Assets :				
(i) Investments	8	0.01	0.01	0.01
(ii) Trade receivables	9	964.55	980.63	1,068.82
(iv) Loans	10	9.76	11.44	16.14
(v) Other Financial Assets	11	53.04	20.71	23.95
(f) Deferred tax assets (net)	12	73.67	77.02	77.83
(g) Tax Assets (Net)	13	-	-	-
(h) Other non-current assets	14	9.33	13.88	12.06
Sub total		2,030.07	2,038.71	2,148.36
Current Assets				
(a) Inventories	15	0.25	39.71	0.42
(b) Financial Assets :				
(i) Investments	8	-	-	-
(ii) Trade receivables	9	2,221.00	2,112.60	2,639.26
(iii) Cash & cash equivalents	16	99.20	7.27	8.95
(iv) Bank Balances other than (iii) above	17	2.53	2.34	1.12
(v) Loans	10	5.09	4.03	2.83
(vi) Other Financial Assets	11	48.63	29.80	15.25
(c) Tax Assets (Net)	13	10.31	19.96	32.96
(d) Other Current Assets	14	25.68	35.16	8.36
Sub total		2,412.69	2,250.87	2,709.15
Total Assets		4,442.76	4,289.58	4,857.51
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	18	60.00	60.00	60.00
(b) Other Equity	19	(3,691.87)	(3,075.67)	(2,349.29)
Sub total		(3,631.87)	(3,015.67)	(2,289.29)
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	20	-	146.28	-
(ii) Trade payables	21	993.29	992.64	1,015.33
(iii) Other Financial Liabilities	22	48.69	49.57	47.64
(b) Provisions	23	105.66	108.42	104.02
(c) Deferred tax liabilities (Net)	12	-	-	-
(d) Tax Liabilities (Net)	13	-	-	-
(e) Other non-current liabilities	24	2.53	3.45	4.12
Sub total		1,150.17	1,300.36	1,171.11
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	20	2,781.95	2,686.09	2,800.97
(ii) Trade payables	21	216.45	175.21	647.77
(iii) Other Financial Liabilities	22	3,807.62	3,017.44	2,463.78
(b) Provisions	23	31.84	20.20	15.94
(c) Tax Liabilities (Net)	13	-	-	-
(d) Other current liabilities	24	86.60	105.95	47.23
Sub total		6,924.46	6,004.89	5,975.69
Total Equity and Liabilities		4,442.76	4,289.58	4,857.51

Significant Accounting Policies and the accompanying notes 1 to 59 form an integral part of accounts.

As per our report of even date attached

For P. JAIN & COMPANY
Chartered Accountants
Firm Reg. No. 000711C

Sd/-
(PANKAJ JAIN)
Partner
M. No. 097279
Place: New Delhi
Dated: 10.08.2018

Sd/-
(RAJIV CHOPRA)
Director (Marketing) with
additional charge of CMD
DIN -06466326

Sd/-
B R DHAWAN
CGM-Finance

Sd/-
(S.K. SINGHAL)
GM-F & CFO

Sd/-
(PANKAJ KUMAR)
Company Secretary
ACS -15849

THE STATE TRADING CORPORATION OF INDIA LIMITED

ANNUAL REPORT 2017-18



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Amount in ₹ Crore)

Particulars	Note No.	Year Ended March 31, 2018	Year Ended March 31, 2017
Income			
i) Revenue from Operations	25	10,865.71	7,814.49
ii) Other Income	26	303.70	273.31
Total Income		11,169.41	8,087.80
Expenses			
i) Cost of materials consumed	27	0.01	0.04
ii) Purchases of Stock in trade	28	10,797.50	7,815.55
iii) Change in Inventory	29	39.44	(39.25)
iv) Employees' Benefit Expenses	30	108.71	108.39
v) Finance Cost	31	833.38	718.87
vi) Depreciation & Amortization Expenses	32	16.71	16.71
vii) Other Expenses	33	28.07	35.10
Total expenses		11,823.82	8,655.41
Profit before exceptional items and tax		(654.41)	(567.61)
Exceptional Items -Expense/(Income)	34	(29.78)	144.05
Profit Before Tax		(624.63)	(711.66)
Tax expense	35		
(i) Current tax		(5.27)	16.85
(ii) Deferred tax		-	-
Profit for the Year from continuing operations		(619.36)	(728.51)
Profit/(loss) from discontinued operations		-	-
Tax expense of discontinued operations		-	-
Profit from discontinued operations after tax		-	-
I Profit for the Year		(619.36)	(728.51)
II Other Comprehensive Income			
i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans		4.84	3.29
Less: Income Tax on Above		1.67	1.16
ii) Items that will be reclassified to profit or loss			
Other Comprehensive Income		3.17	2.13
Total Comprehensive Income for the Year		(616.19)	(726.38)
Earnings per equity share :			
(1) Basic		(102.70)	(121.06)
(2) Diluted		(102.70)	(121.06)

Significant Accounting Policies and the accompanying notes 1 to 59 form an integral part of accounts.

As per our report of even date attached

For P. JAIN & COMPANY
Chartered Accountants
Firm Reg. No. 000711C

Sd/-
(RAJIV CHOPRA)
Director (Marketing) with
additional charge of CMD
DIN -06466326

Sd/-
(S.K. SINGHAL)
GM-F & CFO

Sd/-
(PANKAJ JAIN)
Partner
M. No. 097279

Sd/-
B R DHAWAN
CGM-Finance

Sd/-
(PANKAJ KUMAR)
Company Secretary
ACS -15849

Place: New Delhi
Dated: 10.08.2018

THE STATE TRADING CORPORATION OF INDIA LIMITED

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018

(Amount in ₹ Crore)

Particulars		Year Ended 31st March, 2018		Year Ended 31st March, 2017	
A	CASH FLOW FROM OPERATING ACTIVITIES:				
	Net Profit /(Loss) Before Tax		(624.63)		(711.66)
	Adjustment for:				
	-Interest on working capital loans	833.38		718.89	
	-Depreciation	16.71		16.71	
	-Net write back of Debts/Advances/claims/Assets	(25.07)		172.47	
	-Income/Expenditure relating to let out property	(31.16)		(33.47)	
	-Interest Income on fixed deposits	(1.34)		(0.54)	
	-Loss on sale of asset	0.12		0.18	
	-Liabilities written back	(3.42)		(73.27)	
	-Profit on sale of assets	(0.08)		(0.80)	
	-Amortisation of Grant	(0.24)	788.90	(0.28)	799.89
	Operating Profit Before Working Capital Changes		164.27		88.23
	Adjustment for:				
	-Trade and other receivables		(104.18)		405.27
	-Inventories		39.46		(39.29)
	-Trade and other payables		66.88		(381.27)
	-employee benefits		3.11		2.24
	Changes In Working Capital		169.54		75.18
	Income Tax Paid		18.26		(3.89)
	Net Cash Generated/Used In Operating Activities (A)		187.80		71.29
B	CASH FLOW FROM INVESTING ACTIVITIES:				
	-Net Sale/Purchase of Fixed Assets		(1.43)		(1.57)
	-Interest on deposits		1.34		0.54
	-Investments made/Withdrawal		0.93		0.54
	-Let out properties (net)		31.16		33.47
	Net Cash From Investing Activities (B)		32.00		32.98
C	CASH FLOW FROM FINANCING ACTIVITIES :		80.86		51.40
	-Increase in Working Capital Loan(net)				
	-Changes in other equity				
	-Interest Paid		(208.73)		(157.35)
	Net Cash From Financing Activities (C)		(127.87)		(105.95)

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CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018

(Amount in ₹ Crore)

Particulars		Year Ended 31st March, 2018		Year Ended 31st March, 2017	
	Net Increase/Decrease In Cash And Cash Equivalents (A+B+C)		91.93		(1.68)
	Reconciliation of Cash & Cash Equivalents				
(i)	Closing Cash & Bank Balances as per Balance Sheet		99.20		7.27
(ii)	Opening Cash & Bank Balances as per Balance Sheet		7.27		8.95
	Cash & Bank Balances as per Cash Flow Statement		91.93		(1.68)
(iii)	Cash & Bank balances as per Balance Sheet		101.73		9.61
(iv)	Less : Non readily convertible Bank Deposits		2.53		2.34
(v)	Cash & Bank balances as per cash flow statement		99.20		7.27
(vi)	Cash & bank balances includes unpaid dividend		0.08		0.11

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

Significant Accounting Policies and the accompanying notes 1 to 59 form an integral part of accounts.

As per our report of even date attached

For P. JAIN & COMPANY

Chartered Accountants
Firm Reg. No. 000711C

Sd/-
(RAJIV CHOPRA)
Director (Marketing) with
additional charge of CMD
DIN -06466326

Sd/-
(S.K. SINGHAL)
GM-F & CFO

Sd/-
(PANKAJ JAIN)
Partner
M. No. 097279

Sd/-
B R DHAWAN
CGM-Finance

Sd/-
PANKAJ KUMAR
Company Secretary
ACS -15849

Place: New Delhi
Dated: 10.08.2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(i) Equity Share Capital

(Amount in ₹ Crore)

Particulars	No. of shares (in crore)	Face Value (₹)	Amount
Balance as at April 1, 2016	6.00	10.00	60.00
Changes in share capital during the year	-	-	-
Balance as at March 31, 2017	6.00	10.00	60.00
Changes in share capital during the year	-	-	-
Balance as at March 31, 2018	6.00	10.00	60.00

(ii) Other Equity

(Amount in ₹ Crore)

Particulars	Reserves and Surplus							Total
	General Reserve	Capital Reserve	Retained Earnings	Ex-change Fluctuation Reserve	Bonus Reserve	Other Reserve (Revaluation Reserve)	Contingency Reserve	
Balance as at 31.03.2016	65.53	2.50	(3,314.03)	6.50	-	885.97	4.35	(2,349.18)
Changes in accounting policy prior period errors	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-
Transfer on account of Revaluation of fixed Assets	0.01	-	-	-	-	(0.01)	-	-
Adjustment of componentization of PPE	-	-	(0.05)	-	-	-	-	(0.05)
Prior Period Adjustment	-	-	(0.06)	-	-	-	-	(0.06)
Balance at April 1, 2016	65.54	2.50	(3,314.14)	6.50	-	885.96	4.35	(2,349.29)
Total Comprehensive Income for the year	-	-	(726.38)	-	-	-	-	(726.38)
Transfer to Bonus Reserve (Set on)	-	-	-	-	-	-	-	-
Transfer from Bonus Reserve (Set off)	-	-	-	-	-	-	-	-
Balance at March 31, 2017	65.54	2.50	(4,040.52)	6.50	-	885.96	4.35	(3,075.67)
Total Comprehensive Income for the year	-	-	(616.19)	-	-	-	-	(616.19)
Transfer to Bonus Reserve (Set on)	-	-	-	-	-	-	-	-
Transfer from Bonus Reserve (Set off)	-	-	-	-	-	-	-	-
Balance at March 31, 2018	65.54	2.50	(4,656.72)	6.50	-	885.96	4.35	(3,691.87)

As per our report of even date attached

For P. JAIN & COMPANY
Chartered Accountants
Firm Reg. No. 000711C

Sd/-
(RAJIV CHOPRA)
Director (Marketing) with
additional charge of CMD
DIN -06466326

Sd/-
(S.K. SINGHAL)
GM-F & CFO

Sd/-
(PANKAJ JAIN)
Partner
M. No. 097279

Sd/-
B R DHAWAN
CGM-Finance

Sd/-
(PANKAJ KUMAR)
Company Secretary
ACS -15849

Place: New Delhi
Dated: 10.08.2018



NOTES TO THE FINANCIAL STATEMENTS 2017-18

1. General Information

The State Trading Corporation of India Ltd. (STC) is a listed entity incorporated in India in 1956. The address of its registered office and branches are disclosed in Annual Report. These consolidated financial statements comprises the financial statements of the Company and its subsidiary /joint ventures. (Referred to collectively as 'the Group') and groups interest in the joint ventures. The group is primarily involved in import and export of large number of bulk commodities such as rice, wheat, sugar, pulses, edible oils, fertilisers, coal, bullion, etc. It also undertakes import of mass consumption items like wheat, sugar, pulses, etc. as and when called upon by the Government to do so. STC's corporate office is at New Delhi. It has 11 branch offices spread across the country.

These consolidated financial statements were approved for issue by the Board of Directors on 10th August 2018.

2. First time adoption of Indian Accounting Standards (Ind-AS)

The 'Group' has adopted Ind-AS, in accordance with Notification dated February 16, 2015 issued by Ministry of Corporate Affairs, Government of India, with effect from April 01, 2017 with a transition date on April 01, 2016.

3. Significant Accounting Policies :

3.1 Statement of Compliance and basis of preparation of Financial Statements

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as notified by Ministry of Corporate Affairs, Government of India vide Notification dated February 16, 2015. Accounting policies have been applied consistently to all periods presented in these financial statements. The Consolidated Financial Statements are prepared under historical cost convention from the books of accounts maintained under accrual basis except items covered under clause 3.5(v) and for certain financial instruments and defined benefit plan – plan assets, which are measured at fair value and in accordance with the Indian Accounting Standards prescribed under the Companies Act, 2013.

The Consolidated Financial Statements up to the year ended March 31, 2017 were prepared in accordance with Indian Generally Accepted Accounting Practice (GAAP) which include Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the act.

The Financial statements of the company are prepared based on the assumption that the company is not a going concern due to the following reasons:

- The shareholders of the company in their extraordinary general meeting held on September 12, 2013 has approved winding up of the company under 433(a) of the companies Act, 1956
- Department of Commerce, Ministry of commerce and Industry vide letter dated August 26, 2013 has conveyed approval of the union cabinet for winding up of the company and to offer Voluntary Separation Scheme (VSS) to the Employees.
- Company has filed winding up petition before the Hon'ble High Court of Karnataka on November 26, 2013.

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

3.2 Application of Indian Accounting Standards (Ind-AS)

As per MCA notification dated 16.02.2015, companies whose equity or debt securities are listed or are in the process of being listed on any stock exchange in India or outside India and having net worth of less than rupees five hundred crores need to comply with the requirements of Ind AS for its accounting period beginning on or after 01.04.2017.

All amounts included in the consolidated financial statements are reported in Crore of Indian rupees (Rupees in Cr.) except number of equity shares and per share data, unless otherwise stated.

3.3 Use of estimates and judgment

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

3.4 Functional and presentation currency

These consolidated financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the Company.

3.5 Basis of Consolidation

The financial statements of subsidiary companies and joint ventures are drawn up to the same reporting date as of the Company for the purpose of consolidation.

i. Subsidiaries :

The financial statements of the Company and its subsidiary (100%) STCL Limited are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows. Inter company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The carrying amount of parents investment in subsidiary has been eliminated.

ii. Associates and Joint ventures

Interest in associates and joint ventures are accounted for using the equity method after initially being recognised at cost in the consolidated balance sheet. The investments are initially recognized at cost and adjusted thereafter to recognize the group's share of the post acquisition profit or losses of the investee in profit and loss and the group share of other comprehensive income of the investee in other comprehensive income. Unrealized gains on transactions between the groups and its joint ventures and associates are eliminated to the extent to the groups' interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

3.6 Revenue Recognition

i) Trading Income

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable taking into account the amounts of trade discount and volume rebates. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, it is probable that economic benefits associated with the transaction will flow to the entity, the associated costs incurred or to be incurred in respect of the transaction can be measured reliably and there is no continuing management involvement with the goods. The point of transfer of risks and rewards depends upon the terms of the contract of sale with individual customers.

Revenue includes only the gross inflows of economic benefits received and receivable by the entity on its own account. Amounts collected on behalf of third parties such as sales taxes, goods and services taxes and value added taxes are not economic benefits which flow to the entity and do not result in increases in equity. Therefore, they are excluded from revenue. Similarly, in an agency relationship, the gross inflows of economic benefits include amounts collected on behalf of the principal and which do not result in increases in equity for the entity. The amounts collected on behalf of the principal are not revenue. Instead, revenue is the amount of commission.

ii) Cost of Sale and Sales

- a) Purchases and sales are recognised on the performance of contracts.
- b) In cases where contracts provide for crystallization of price or for price adjustment on a subsequent date, corresponding purchases and sales are booked on the basis of expected settlement price and any differential determined subsequently is accounted for at the time of final settlement. Cost of Sale and Sales are accounted for considering all costs and elements including usance interest on supplier's credit as provided for in the contract and incurred till the date of recognition including expenses incurred by and surplus accruing to Business Associates as per contract terms.
- c) In respect of back-to-back/tripartite/joint-execution/third party arrangements, purchases and sales are booked on the basis of documents furnished by the Business Associate as adjusted for the fixed trade margin accruing to the Company.
- d) In case of dealings on behalf of the Government (including consignments under Government's Gift/Grant Scheme), purchases and sales and incidental expenses or income thereof are accounted for under the respective head of accounts. Surplus or deficit to Government Account, after adjusting company's margin accruing to the Company, is adjusted in Cost of Sales or Trade Income respectively.
- e) In case of certain commodities, import of which is canalised through the company, imported on 'government account' against authorisation letter issued by government of India, purchase/sale is booked in the name of company.
- f) High Sea Sales :
Sale during the course of import by transfer of documents of title i.e. High Sea Sale is booked upon transfer of documents of title to the goods in favour of buyer before the goods cross the customs frontiers of India.



iii) Dividend and interest income

Dividend income from investments is recognized when the 'Group's right to receive payment has been established and it is probable that the economic benefits associated with the transactions will flow to the 'Group' and the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the 'Group' and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

iv) Claims

- a. Pending settlement, certain expenses/gain/losses like dispatch earned/demurrage payable etc. are accounted for on provisional basis on the best estimates of the Management.
- b. Claims are recognized in the Statement of Profit & Loss if there is no uncertainty relating to its ultimate realization. Claims recognized in the Statement of Profit & Loss but on subsequently becoming doubtful are provided for through the Statement of Profit & Loss.

v) Revenue Recognition on Actual Realization

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

- a) Claims for refund of excess insurance premium on open policies.
- b) Interest on loans to subsidiaries and on delayed payments of sales/ trade finance where realization is doubtful.
- c) Export benefits.
- d) Interest realisable from the items handled on Government account.
- e) Liquidated damages.
- f) Claims lodged with Insurance Companies.

3.7 Foreign currencies

Transactions in foreign currencies are recorded at the exchange rate prevailing at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and Loss except to the extent of exchange difference which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalised as cost of assets. Additionally, exchange gains or losses on foreign currency borrowings taken prior to April 1, 2016 which are related to the acquisition or construction of qualifying assets are adjusted in the carrying cost of such assets.

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

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

3.8 Property, Plant and Equipments

All Property, Plant and Equipments (PPE) are stated at carrying value in accordance with previous GAAP, which is used as deemed cost on the date of transition to Ind AS using the exemption granted under Ind AS 101.

The cost of an item of property, plant and equipment is recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The cost of an item of PPE is the cash price equivalent at the recognition date. The cost of an item of PPE comprises:

- i) Purchase price, including import duties and non-refundable purchase taxes, after deducting tax recoverable, trade discounts and rebates.
- ii) Costs directly attributable to bringing the PPE to the location and condition necessary for it to be capable of operating in the manner intended by management.

- iii) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the company incurs either when the PPE is acquired or as a consequence of having used the PPE during a particular period for purposes other than to produce inventories during that period.

Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing items of PPE, including day-to-day repair and maintenance expenditure, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of items of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The company has chosen the cost model of recognition for an entire class of PPE. After recognition as an asset, an item of PPE is carried at its cost less accumulated depreciation and accumulated impairment losses, if any.

Under previous GAAP (Indian GAAP), land and buildings, were carried in the balance sheet on the basis of fair valuations performed in 2014-15. The Company has also determined that revaluation carried in 2014-15 does not differ materially from fair valuation as at 1 April 2016 (date of transition to Ind-AS). Accordingly, the Company has not revalued the property at 1 April 2016 again. The Company regards the fair value as deemed cost at the transition date, viz., 1 April 2016.

3.9 Intangible Assets

All Intangible Assets (Computer Software's) are stated at carrying value in accordance with previous GAAP, which is used as deemed cost on the date of transition to Ind AS using the exemption granted under Ind AS 101.

Identifiable intangible assets are recognized when the company controls the asset; it is probable that future economic benefits expected with the respective assets will flow to the company for more than one economic period; and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. Cost comprises purchase price, import duties, non-refundable purchase tax, after deducting tax recoverables, trade discount, rebate and any cost directly attributable to bringing the asset to location and condition necessary for it to be capable of operating in the manner intended by Management. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible Assets are amortized over their useful life as determined by the Management.

Computer softwares are amortized on straight line basis over a period of two and a half year beginning from the date of capitalization.

The amortization period and the amortization method are reviewed at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed prospectively. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for prospectively i.e. change in estimate in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

3.10 Depreciation

The depreciable amount of an item of PPE and investment properties is allocated on a straight line basis over its useful life. The residual value and the useful life of an asset are reviewed at each financial year-end. Each part of an item of PPE with a cost that is significant in relation to the total cost of the asset and useful life of that part is different from remaining part of the asset; such significant part is depreciated separately. Depreciation on all such items is provided from the date they are 'Available for Use' till the date of sale / disposal and includes amortization of intangible assets and lease hold assets. Freehold land is not depreciated. An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Depreciation on PPE other than land is provided in accordance with useful life of assets specified in Schedule II of the Companies Act, 2013 on straight-line method except intangible assets, which are depreciated over a period of 2 ½ years.



Leasehold land is amortised over the lease period. Land on perpetual lease is not amortised.

Depreciation on additions to/deductions from PPE during the year is charged on pro-rata basis from the date the asset is available for use till it is de-recognised.

Estimated useful life of the property plant and equipments (PPE) is given as under:

S. No.	Description	Years
1	Building	
	a) RCC frame	60
	b) Other than RCC frame	30
	c) Factory Buildings	30
	d) Fences, tube wells	5
	e) Others including temporary structure	3
2	Plant and Machinery	15
3	Electrical installation and equipments	10
4	Furniture & Fixture	10
5	Vehicles - cars	8
6	Office equipments	5
7	Computer and data processing units:	
	-Servers & Networks	6
	-End user devices such desktop, laptop etc.	3
8	Components: HVAC plant	
	a) Chiller Unit	15
	b) Piping work	15
	c) Air handling work	10
	d) Other components	15
9	Lease hold land	Over lease period
10	Perpetual lease	Nil
11	Intangible Assets – Software etc.	2.5

3.11 Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). All of the Company's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties.

Investment properties are measured initially at cost, including transaction costs after initial recognition, the company measures investment property at cost less accumulated depreciation and accumulated impairment loss, if any.

All investment property are stated at carrying value in accordance with previous GAAP, which is used as deemed cost on the date of transition to Ind AS.

Investment properties to be depreciated in accordance to the class of asset that it belongs and the life of the asset shall be as conceived for the same class of asset by the Company.

Though investment property is measured using cost model, the fair value of investment property is disclosed in the notes. Fair values are determined on the basis of a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

3.12 Impairment

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

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

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

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

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

3.13 Leases

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

i. As a lessee

Finance leases are capitalised at the commencement of the lease. At the inception date leased property is recognised lower of fair value of the leased property or present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

ii. As a lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Lease income from operating leases shall be recognized in income on a straight-line basis over the lease term of relevant lease.

3.14 Inventories

Inventories are carried at lower of cost and net realizable value except by-products which are valued at net realizable value. Cost is determined as:

- a) on yearly weighted average method in respect of inventories pertaining to own business and items handled on Govt. account under PDS or otherwise,



- b) on actual cost as per specific identification method in respect of items handled on back to back arrangement with business associates,
- c) Goods-in-transit is valued at CIF cost.

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

3.15 Employee benefits

- i. Short term employee benefits expected to be paid are recognized at their undiscounted amount in the accounting period in which they are incurred.
- ii. Post-retirement benefits:
 - a. Defined contribution plan: Employees' benefit, under defined contribution plan comprising provident fund (administered through separate trust) and pension fund (administered through defined contribution to LIC) are recognized based on the undiscounted obligation of the company to contribute to the plan in the period in which the employee renders the related service. The same is paid to funds administered through separate Trust.
 - b. Defined Benefit plan:
 - a) Provision for gratuity, leave encashment and half pay leave are determined on the basis of actuarial valuation using the projected unit credit method.
 - b) Liability towards post retirement medical benefit is provided based on actuarial valuation as at the year end.
 - c) Other Long Term Benefits:

Other long term benefits i.e. Long Service Award are determined on the basis of Actuarial Valuation undertaken at the year end.

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

iii. Termination Benefits:

Retirement benefit under Voluntary retirement scheme is written off in the year in which opted.

3.16 Borrowing Costs

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

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

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

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

3.17 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments consist of:

- a) financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets;
- b) financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.

Initial Recognition

Non derivative financial instruments are recognized initially at fair value including any directly attributable transaction costs. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset

have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset.

Subsequent Measurement

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

a) Cash and cash equivalents

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

b) Investments in liquid mutual funds, equity securities (other than Subsidiaries, Joint Venture and Associates) are valued at their fair value. These investments are measured at fair value and changes therein, other than impairment losses, are recognized in statement of profit and loss and presented within equity, net of taxes. The impairment losses, if any, are reclassified from equity into statement of income. When an available for sale financial asset is derecognized, the related cumulative gain or loss recognised in equity is transferred to the statement of income.

c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current financial assets, except for those maturing later than 12 months after the reporting date which are presented as non-current financial assets. Loans and receivables are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade receivables, unbilled revenues and other assets.

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

d) Security Deposits

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

e) Trade and other payables

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

f) Investments in Subsidiary, Associates and Joint Venture

The company accounts investment in subsidiary, joint ventures and associates at cost. An entity controlled by the company is considered as a subsidiary of the company. Investments in subsidiary company outside India are translated at the rate of exchange prevailing on the date of acquisition. Investments where the company has significant influence are classified as associates. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. A joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement is classified as a joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Derivative financial instruments

The Company may uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of income as cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit or loss.

Impairment of financial assets

Financial assets, other than those at Fair Value through Profit and Loss (FVTPL), are assessed for indicators of impairment



at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. For Available for Sale (AFS) equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment. For all other financial assets, objective evidence of impairment could include:

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

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

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

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

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

De-recognition of financial assets

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

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

3.18 Taxation

Tax expense

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

1. Current tax

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

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

- a. As a legal enforceable right to set off the recognised amounts and
- b. Intends either to settle on a net basis, over to realise the assets and settle the liability simultaneously.

2. Deferred tax

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

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

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

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

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

3.19 Current and Non Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is-

- expected to be realised, or intended to sold or consumed in normal operating cycle;
- held the asset primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when-

- expected to be settled in normal operating cycle;
- held the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

3.20 Provisions, Contingent Liabilities and Contingent Assets

General

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

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

Contingent liabilities

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

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

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



Contingent Assets

Contingent Assets are not recognized in the financial statements. Such contingent assets are assessed continuously and are disclosed in Notes when the inflow of economic benefits becomes probable. If it is virtually certain that inflow of economic benefit will arise then such assets and the relative income will be recognized in the financial statements.

Provision for Doubtful Debts/Advances/Claims

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

3.21 Government grants

Government grants received are recognized initially as income when there is reasonable assurance that Company will comply with the conditions associated with the grant. These grants are classified as grants relating to assets and revenue based on the nature of the grant.

Grants that compensate the Company for the cost of an asset are recognized in profit or loss on a systematic basis over the useful life of the related asset. Grants that compensate the Company for expenses incurred are recognized over the period in which the related costs are incurred and are disclosed separately as Income in the statement of Profit & Loss.

Government grants with a condition to purchase, construct or otherwise acquire long term assets are initially recognised as deferred income, such grants are recognised in the statement of profit and loss on a systematic basis over the useful life of the asset. Changes in estimates are recognised prospectively over the remaining life of the assets.

3.22 Earnings per share

A basic earnings per equity is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3.23 Segment Information

The Chief Operational Decision Maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on their revenue growth and operating income.

The Company has identified its Operating Segments as Exports, Imports and Domestic.

The Assets and liabilities used in the Company's business that are not identified to any of the operating segments are shown as unallocable assets/liabilities.

Exemption from retrospective application:

i) Fair Value as deemed cost exemption:

The company has elected to measure items of property, plant and equipment and intangible assets at its carrying value at the transaction date except for certain class of assets which are measured at fair value as deemed cost.

ii) Cumulative translation differences:

The company has elected to apply Ind AS 21 – The effects of changes in foreign exchange rate prospectively. Accordingly all cumulative gain/losses recognized are reset to Zero by transferring it to retained earnings.

iii) Investment in subsidiaries, joint ventures and associates:

The company has elected to measure investment in subsidiaries, joint Ventures and associate at cost.

As per our report of even date attached

For P. JAIN & COMPANY
Chartered Accountants
Firm Reg. No. 000711C

Sd/-
(PANKAJ JAIN)
Partner
M. No. 097279

Place : New Delhi
Date : 10.08.2018

Sd/-
(RAJIV CHOPRA)
Director (Marketing) with
additional charge of CMD
DIN -06466326

Sd/-
B R DHAWAN
CGM-Finance

Sd/-
(S.K. SINGHAL)
GM-F & CFO

Sd/-
(PANKAJ KUMAR)
Company Secretary
ACS -15849

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

**4. Property, Plant and Equipment**

For the year ended March 31, 2018

(Amount in ₹ Crore)

Particulars	GROSS BLOCK				DEPRECIATION & AMORTIZATION				ACCUMULATED IMPAIRMENT				NET BLOCK
	Gross carrying value as at April 01, 2017	Additions	Disposal/adjustments	Gross carrying value as at March 31, 2018	Accumulated depreciation as at April 01, 2017	Additions	Disposal/adjustments	Accumulated depreciation as at March 31, 2018	As on April 01, 2017	Additions	Disposal/adjustments	As at March 31, 2018	Carrying Value as at March 31, 2018
Tangible Assets -Freehold													
Land	15.00	-	3.27	11.73	-	-	-	-	-	-	-	-	11.73
Building	110.26	0.04	1.05	109.25	5.57	5.48	-	11.05	0.13	0.54	-	0.67	97.53
Plant & Machinery	9.78	-	0.04	9.74	0.87	0.87	-	1.74	0.22	0.01	-	0.23	7.77
Furniture & Fixtures	1.12	-	(0.01)	1.11	0.17	0.16	(0.02)	0.31	-	-	-	-	0.80
Motor Vehicle	1.01	-	-	1.01	0.10	0.12	-	0.22	0.01	0.01	-	0.02	0.77
Office Equipment	0.51	0.01	0.01	0.51	0.13	0.11	-	0.24	-	-	-	-	0.27
Computers, data processing units & communication equipment	0.80	0.10	0.01	0.89	0.25	0.25	-	0.50	-	-	-	-	0.39
Electrical Installations & Equipment	2.99	0.18	0.01	3.16	0.27	0.37	-	0.64	-	-	-	-	2.52
Other Assets held for Disposal	0.09	-	0.09	-	-	-	-	-	-	-	-	-	-
Total (A)	141.56	0.33	4.47	137.40	7.36	7.36	(0.02)	14.70	0.36	0.56	-	0.92	121.78
Tangible Assets -Leasehold													
Land	388.75	-	-	388.75	0.21	0.20	-	0.41	-	-	-	-	388.34
Building	99.02	-	-	99.02	3.60	3.37	-	6.97	-	-	-	-	92.05
Roads, culverts & sewerage etc	0.17	-	-	0.17	0.02	0.02	-	0.04	-	-	-	-	0.13
Plant & Machinery	3.39	-	-	3.39	0.34	0.34	-	0.68	-	-	-	-	2.71
Others (specify nature)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (B)	491.33	-	-	491.33	4.17	3.93	-	8.10	-	-	-	-	483.23
Total (A+B)	632.89	0.33	4.47	628.73	11.53	11.29	(0.02)	22.80	0.36	0.56	-	0.92	605.01

4.1 L&DO allotted a plot of land measuring 2.599 acres for constructing of office building vide lease agreement signed on 15.12.1975. In order to execute the perpetual lease, matter has been taken up with L&DO who has indicated an expenditure of ₹132.83crore on various account for facilitating execution of perpetual lease. The demand raised by L&DO is not acceptable to STC and is being disputed in view of verification of actual facts. The actual liability is therefore not ascertainable at present. Hence no provision was considered necessary.

4.2 LEASE

1. JawaharVyaparBhawan (JVB): This has been considered as finance lease as per the last executed lease and current discussions provide for perpetuity of lease.

- The land has been allotted by L&DO.
- The property to be used as office building of STC and in case of any portion of building is given on rent 25% of the rental income is payable to L&DO.
- The STC would be liable to pay ground rent on half yearly basis to L&DO.
- The property cannot be sold/ mortgage or put to any other use without written consent of L&DO.

2. STC's Housing Colony: This has been considered as finance lease in view of perpetuity of earlier lease deed.

- The property has been allotted by land and Building Delhi Administration.
- It is to be used as residential quarters for Staff.

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

- c. STC to pay agreed ground rent annually.
3. Asian Games Village Complex (AGVC)
- a. Lease deed has not been executed. However in view of perpetuity as per allotment letter, it has been considered as finance lease.
- b. The property has been allotted by DDA.
- c. STC to pay ground rent annually.
- 4.3 Gross fixed assets and accumulated depreciation includes ₹ NIL (₹1.48 crore) in respect of electric installation & vehicle of Chennai STC destroyed due to flood during the previous year.
- 4.4 The process of issuance of sub divided lease deeds in respect of STC's Office Complex at New Delhi, residential land and flats at Mehrauli Road, Delhi separately in the name of company and its co owners is pending. Deemed cost of land & Building is ₹581.93 crore (₹581.93 crore) of office complex and ₹132.36 crore (₹132.36 Crore) of Housing Colony. Execution of lease deed in respect of flats at AGVC complex is pending. The Deemed cost of such flats is ₹28.42 crore (₹28.42 crore).
- 4.5 Formal lease deed in respect of Lease hold plot (Mallet Bunder) at Mumbai Port Trust where company has tank farm installation is yet to be executed though lease has been extended by way of allotment letter.
- Registration of deed of conveyance in respect of 7 flats at Mumbai is pending. Total Deemed cost of such flats is ₹33.60 crore (₹33.60 crore).

For the year ended March 31, 2017

(Amount in ₹ Crore)

Particulars	GROSS BLOCK				DEPRECIATION & AMORTIZATION				ACCUMULATED IMPAIRMENT				NET BLOCK
	Gross carrying value as at April 01, 2016	Additions	Disposal/adjustments	Gross carrying value as at March 31, 2017	Accumulated depreciation as at April 01, 2016	Additions	Disposal/adjustments	Accumulated depreciation as at March 31, 2017	As on April 01, 2016	Additions	Disposal/adjustments	As at March 31, 2017	Carrying Value as at March 31, 2017
Tangible Assets -Freehold													
Land	21.91	-	6.91	15.00	-	-	-	-	-	-	-	-	15.00
Building	111.99	-	1.73	110.26	-	5.57	-	5.57	-	0.13	-	0.13	104.56
Plant & Machinery	9.77	0.01	-	9.78	-	0.87	-	0.87	-	0.22	-	0.22	8.69
Furniture & Fixtures	1.05	0.10	0.03	1.12	-	0.17	-	0.17	-	-	-	-	0.95
Motor Vehicle	0.73	0.29	0.01	1.01	-	0.10	-	0.10	-	0.01	-	0.01	0.90
Office Equipment	0.43	0.12	0.04	0.51	-	0.13	-	0.13	-	-	-	-	0.38
Computers, data processing units & communication equipment	0.50	0.32	0.02	0.80	-	0.25	-	0.25	-	-	-	-	0.55
Electrical Installations & Equipment	2.14	1.32	0.47	2.99	-	0.27	-	0.27	-	-	-	-	2.72
Other Assets held for Disposal	-	-	(0.09)	0.09	-	-	-	-	-	-	-	-	0.09
Total (A)	148.52	2.16	9.12	141.56	-	7.36	-	7.36	-	0.36	-	0.36	133.84
Tangible Assets -Leasehold													
Leasehold Land	388.75	-	-	388.75	-	0.21	-	0.21	-	-	-	-	388.54
Leasehold Building	99.02	0.01	0.01	99.02	-	3.60	-	3.60	-	-	-	-	95.42
Roads, culverts & sewerage etc (Leasehold)	0.17	-	-	0.17	-	0.02	-	0.02	-	-	-	-	0.15
Plant & Machinery (Leasehold)	3.39	-	-	3.39	-	0.34	-	0.34	-	-	-	-	3.05
Others (specify nature)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (B)	491.33	0.01	0.01	491.33	-	4.17	-	4.17	-	-	-	-	487.16
Total (A+B)	639.85	2.17	9.13	632.89	-	11.53	-	11.53	-	0.36	-	0.36	621.00



CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

5 Capital Work- In- Progress For the year ended March 31, 2018

(Amount in ₹ Crore)

Particulars	Balance as at April 01, 2017	Additions/ Adjustments during the year	Capitalized during the year	Balance as at March 31, 2018
Office Building	0.06	-	-	0.06
Plant & Equipment	0.71	0.02	-	0.73
Office Equipment	0.03	0.77	-	0.80
Others	0.17	0.21	0.17	0.21
Intangible Assets under Development	0.01	0.29	-	0.30
Total	0.98	1.29	0.17	2.10

For the year ended March 31, 2017

(Amount in ₹ Crore)

Particulars	Balance as at April 01, 2016	Additions/ Adjustments during the year	Capitalized during the year	Balance as at March 31, 2017
Office Building	0.33	-	0.27	0.06
Plant & Equipment	0.03	0.68	-	0.71
Office Equipment	-	0.03	-	0.03
Others	0.12	0.05	-	0.17
Intangible Assets under Development	-	0.01	-	0.01
Total	0.48	0.77	0.27	0.98

6 Investment Property For the year ended March 31, 2018

(Amount in ₹ Crore)

Particulars	FREEHOLD		LEASEHOLD		Total
	Land	Building	Land	Building	
Gross carrying value as at April 1, 2017	12.87	3.19	204.05	97.72	317.83
Additions	-	-	-	-	-
Disposal/adjustments	(3.27)	(1.05)	-	-	(4.32)
Gross carrying value as at March 31, 2018	16.14	4.24	204.05	97.72	322.14
Accumulated depreciation as at April 1, 2017	-	0.08	0.63	4.10	4.81
Additions	-	0.09	0.63	4.10	4.82
Disposal/adjustments	-	-	-	-	-
Accumulated depreciation as at March 31, 2018	-	0.17	1.25	8.21	9.62
Impairment as at April 1, 2017	-	-	-	-	-
Additions	-	0.02	-	-	0.02
Disposal/adjustments	-	-	-	-	-
Impairment as at March 31, 2018	-	0.02	-	-	0.02
Carrying Value as at March 31, 2018	16.14	4.05	202.80	89.51	312.50



CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

For the year ended March 31, 2017

(Amount in ₹ Crore)

Particulars	Land	Building	Land	Building	Total
Gross carrying value as at April 1, 2016	5.97	1.46	204.05	97.72	309.19
Additions	-	-	-	-	-
Disposal/adjustments	(6.91)	(1.73)	-	-	(8.64)
Gross carrying value as at March 31, 2017	12.87	3.19	204.05	97.72	317.83
Accumulated depreciation as at April 1, 2016	-	-	-	-	-
Additions	-	0.08	0.63	4.10	4.81
Disposal/adjustments	-	-	-	-	-
Accumulated depreciation as at March 31, 2018	-	0.08	0.63	4.10	4.81
Impairment as at April 1, 2016	-	-	-	-	-
Additions	-	-	-	-	-
Disposal/adjustments	-	-	-	-	-
Impairment as at March 31, 2017	-	-	-	-	-
Carrying Value as at March 31, 2017	12.87	3.11	203.42	93.62	313.02
Deemed Cost as at April 1, 2016	5.97	1.46	204.05	97.72	309.19

Amounts recognised in profit or loss for investment properties

(Amount in ₹ Crore)

Particulars	For the period ended March 31, 2018	For the period ended March 31, 2017
Rental income derived from Investment Properties	41.28	41.51
Direct operating expenses from property that generated rental income	(10.12)	(8.04)
Profit from investment properties before depreciation	31.16	33.47
Depreciation	(4.82)	(4.81)
Profit from investment properties	26.34	28.66

Explanatory Note

Fair value measurement of investment properties:

The fair value of the Company's investment property as at 31 March 2018 has been determined by External, independent property valuers having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued. The company has obtained independent valuations for its investment properties as on 31.03.2018 and fair value measurement has been categorised as level III. The fair value was determined [based on the market comparable approach that reflects recent transaction prices for similar properties/capitalisation of net income method, where the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighbourhood. The capitalisation rate adopted is made by reference to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the valuers' knowledge of the factors specific to the respective properties/other methods.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Details of Investment properties and information about the fair value are as under:

Particulars	Fair Value as at 31.03.2018 (₹. Crore)
Land & Building	321.97

Fair Value as on 31.03.2017 & 01.04.2016 are not available

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

7 Intangible Assets

For the year ended March 31, 2018

(Amount in ₹ Crore)

Particulars	Computer Softwares	Others (Specify Nature)	Total
Gross carrying value as at April 1, 2017	0.03	-	0.03
Additions	0.11	-	0.11
Disposal/adjustments	-	-	-
Gross carrying value as at March 31, 2018	0.14	-	0.14
Accumulated amortisation as at April 1, 2017	0.01	-	0.01
Additions	0.03	-	0.03
Disposal/adjustments	-	-	-
Accumulated amortisation as at March 31, 2018	0.04	-	0.04
Carrying Value as at March 31, 2018	0.10	-	0.10

For the year ended March 31, 2017

(Amount in ₹ Crore)

Particulars	Computer Softwares	Others (specify Nature)	Total
Deemed Cost as at April 1, 2016	0.03	-	0.03
Additions	-	-	-
Disposal/adjustments	-	-	-
Gross carrying value as at March 31, 2017	0.03	-	0.03
Accumulated amortisation as at April 1, 2016	-	-	-
Additions	0.01	-	0.01
Disposal/adjustments	-	-	-
Accumulated amortisation as at March 31, 2017	0.01	-	0.01
Carrying Value as at March 31, 2017	0.02	-	0.02
Deemed Cost as at April 1, 2016	0.03	-	0.03



CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

8. Investments

(Amount in ₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non Current			
Long Term			
Unquoted Investments			
Investment in Equity instrument~Joint Ventures NSS Agro Development Co. Ltd.			
2,00,000 (Fully paid up Equity shares of Rs. 10 each)	0.20	0.20	0.20
Less: Impairment in value of Investment	0.20	0.20	0.20
Net	-	-	-
Others			
Sea Lac Agro Ventures Limited			
1,00,000 (Fully paid up Equity shares of ₹10 each)	0.10	0.10	0.10
Less: Impairment in value of Investment	0.10	0.10	0.10
Net	-	-	-
Maharashtra Small Scale Industries Development			
10,000 (Fully paid up Equity shares of ₹100/-each)	0.10	0.10	0.10
Less: Impairment in value of Investment	0.10	0.10	0.10
Net	-	-	-
Andhra Pradesh State Trading Corporation			
100 (Fully paid up Equity shares of ₹1000/-each)	0.01	0.01	0.01
Less: Impairment in value of Investment	-	-	-
Net	0.01	0.01	0.01
Sindhu Resettlement			
4 (Fully paid up Equity shares of ₹1000/-each)	-	-	-
Less: Impairment in value of Investment	-	-	-
Net	-	-	-
Total	0.01	0.01	0.01

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

8.1 Investment includes Rs. 0.20 crore (Rs. 0.20 crore) in Joint Venture Company NSS Satpura Agro Development Co. Ltd. The company had a negative net worth as on 31st March 2014. Full Provision for diminution in the value of investment has been made.

9. Trade Receivables

(Amount in ₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non Current			
A. Trade Receivables from related parties			
i. Secured ~ Considered good	-	-	-
ii. Unsecured Considered good	-	-	-
iii. Considered doubtful	-	-	-
Sub-total	-	-	-
Less : Allowance for bad and doubtful receivables	-	-	-
Total (A)	-	-	-
B. Other Trade Receivables			
i. Secured ~ Considered good	11.33	20.39	99.60
ii. Unsecured Considered good	953.22	960.24	969.22
iii. Considered doubtful	620.01	655.39	462.78
Sub-total	1,584.56	1,636.02	1,531.60
Less : Allowance for bad and doubtful receivables	620.01	655.39	462.78
Total (B)	964.55	980.63	1,068.82
Total (A+B)	964.55	980.63	1,068.82
Current			
A. Trade Receivables from related parties			
i. Secured ~ Considered good	-	-	-
ii. Unsecured Considered good	-	-	-
iii. Considered doubtful	-	-	-
Sub-total	-	-	-
Less : Allowance for bad and doubtful receivables	-	-	-
Total (A)	-	-	-
B. Other Trade Receivables			
i. Secured, Considered good	129.87	132.03	715.49
ii. Unsecured Considered good	2,091.13	1,980.57	1,923.77
iii. Doubtful	33.45	33.39	31.92
Less: Allowance for bad and doubtful debts	2,254.45	2,145.99	2,671.18
Total (B)	2,221.00	2,112.60	2,639.26
Total (A+B)	2,221.00	2,112.60	2,639.26
Amount Due from:			
Directors	-	-	-
Other Officers	-	-	-
Amount due from Firms/companies in which directors are partner/member/director	-	-	-
Ageing of Trade Receivables			
Up to 6 months	164.81	191.89	363.49

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CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(Amount in ₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
more than 6 months	3,674.20	3,590.12	3,839.29
Total (current + Non current)	3,839.01	3,782.01	4,202.78
Movement in allowances for doubtful debt			
Non Current			
Balance at the beginning of the period	655.39	462.59	462.78
Impairment losses recognised	13.17	194.02	-
Amount written off during the period	-	0.01	-
Amounts recovered during the period	48.55	1.21	-
Foreign exchange translation gain/losses	-	-	-
Balance at the end of the period	620.01	655.39	462.78
Current			
Balance at the beginning of the period	33.39	30.06	31.92
Impairment losses recognised	0.25	3.33	-
Amount written off during the period	-	-	-
Amounts recovered during the period	0.19	-	-
Foreign exchange translation gain/losses	-	-	-
Balance at the end of the period	33.45	33.39	31.92

- 9.1 Current Trade receivable include ₹3.91 crore (₹9.95 crore) towards balance 9.90% of the export proceeds to be recovered and transferred to FCI subsequent to deduction of charge, if any. Matter pending subject to resolving of the claim of GASC, Egypt amounting to USD 603,357.75 towards fumigation and other charges at port. The same has been refuted by STC as per contract terms and matters has been taken up with MEA for early resolution.
- 9.2 Current Trade receivables include ₹89.75 Crore (₹84.96 crore) which is overdue on account of pending reconciliation issues / performance guarantee. No provision has been considered necessary since the outstanding amount is secured by corresponding credit balance available in sundry creditors.
- 9.3 Non-Current trade receivables includes ₹122.95 Crore (₹122.95 Crore), excluding contingent assets of ₹477.09 crore (₹378.73 crore) recoverable from one of the business associates for goods sold in earlier years which is overdue. STC has filed complaint for commission of offences under section 405, 406, 409, 415 & 420 read with sec. 107, 120-B, 34 of Indian Penal Code in the court of Judicial Magistrate (First Class) against the associate. As a matter of prudence, full provision for ₹122.95 crore has already been created during the financial year 2016-17.
- 9.4 Non current Trade receivable include Rs. NIL (₹3.47 crore) being 3.5% of invoice value retained by one of the business associates as performance guarantee which is secured by corresponding credit balance available in sundry creditors.
- 9.5 Current Trade receivables include ₹2076.70 crore (₹1904.24 crore) (excludes contingent asset ₹248.06 crore (₹230.43 crore) for goods sold during previous years to one of the business associate. Dues are secured by EMD of ₹29.73 crore and the personal guarantee of Chairman of its holding company. The business associate and its holding company (Guarantor) had signed a Conciliation Agreement dated 15.11.2011 and further settlement agreement dated 17.05.2012 with STC for payment of entire dues by 10.11.2012 under Indian Arbitration and Conciliation Act and has been held as final decree by Hon'ble Supreme Court. The case for enforcement of decree is continuing with Hon'ble Supreme Court. During the year, the business associate remitted an amount of Rs.100.00 crore with the knowledge of Hon'ble Supreme Court. Considering the status of case in the Hon'ble Supreme Court,

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

- the management is hopeful that the associate may come out with settlement proposal for repayment of entire dues to STC. Next date of hearing is 04.07.2018. Hence the debt is good and recoverable.
- 9.6 Non-current unsecured trade receivables include ₹568.44 crore (₹568.44 crore) on account of export of pharma products to foreign buyers through Indian business associates. The Indian business associate drew bills of exchange on the company which were accepted by the company on back to back basis upon receipt of overseas buyers pre-acceptance to company's bills of exchange. However, the foreign buyers defaulted in making payment against the export bills and have gone into liquidation. A claim of ₹527.86 crore has been admitted by the liquidator of one of the foreign buyer i.e. Loben Trading Co. Pte Ltd. A decree of ₹62.47 crore has been passed by Hon'ble Mumbai High Court in favour of company against the dues from one of the foreign buyer i.e. Sweetland Trading Pte Ltd. As of current date, the Indian business associate had gone into liquidation and official liquidator is appointed by Hon'ble High Court Mumbai. The matter is also under investigation by CBI. Considering the legal enforceability of back to back agreement and corresponding credit of Rs.568.44 crore (₹568.44 crore) in the opinion of management, no further provision is required for outstanding receivables of similar amount. The Indian business associate also discounted the bills of exchange conditionally accepted by the company from their bankers by utilizing their own credit limits. Legal proceedings have been initiated by the associate's bankers against the associate and the company. Banks & Financial Institutions have filed legal suit against Indian business associate before DRT making the company also a party to the case claiming ₹476.47 crore. The company contended that under the back to back agreement, amount due to the banks are payable only after receipt of export realization from the foreign buyers. However as a matter of prudence, amount of ₹476.47 crore (₹476.47 crore) as claimed has been shown as contingent liability.
- 9.7 Non-Current trade receivables include ₹9.83 crore (₹9.83 crore) (net of provision for diminution in value of stock), excluding contingent assets of ₹19.80 crore (₹14.41 crore) recoverable from one of the business associates for goods sold in earlier years. The overdue is secured by pledge of stocks in favour of STC. Upon non-payment of overdue receivables, legal actions have been initiated against the business associate u/s 138 of Negotiable Instruments Act, 1881 and civil hearings are in progress. Another PSU company Metal and Scrap Trading Corporation (MSTC) had made a claim in respect of ownership of some of the pledged stock sold by the STC to business associate. As per the direction of the Mumbai High Court, the STC and MSTC have jointly appointed approved valuer to carry out the valuation of the stock. As on balance sheet date, the pledged stock has been valued at ₹9.95 crore (₹9.83 crore) by approved valuer. The Mumbai High Court has directed to dispose off the cargo with the condition that the proceeds be kept in Escrow Account or with some Bank FD till the ownership of cargo is decided. As per the direction of Mumbai High Court, STC jointly with MSTC is in the process of appointment of auctioneer and is awaiting further direction from Hon'ble Mumbai High Court. Considering the value of pledge stock, in the opinion of management, no further provision is considered necessary.
- 9.8 Non-Current trade receivables includes ₹17.28 crore (₹17.28 crore), excluding contingent assets of ₹126.00 crore (Rs 101.94 crore) recoverable from one of the business associates for goods sold in earlier years. Criminal complaints u/s 138 of Negotiable Instruments Act, 1881 and contempt application filed before Hon'ble High Court, New Delhi are under progress against the business associate. As a matter of prudence, provision for full amount of ₹17.28 crore has been created during year 2016-17. Arbitration proceedings are also going on before ICA, New Delhi. Further, STC has filed application with National Company Law Tribunal (NCLT) under Insolvency & Bankruptcy Code (IBC), 2016 against business associate. STC is in the process of reviewing reply of business associate and its impact of ongoing recovery proceedings. Company is expecting settlement offer in view of criminal proceedings against business associate.
- 9.9 Non-Current trade receivables include ₹787.65 crore (₹787.65 crore), excluding contingent assets of ₹221.97 crore (₹198.25 crore) under the Credit Linked Insurance Scheme (CLIS) for export of gold jewellery etc. to foreign buyers through various Indian business associates. Against said trade receivables, corresponding balances of ₹342.19 crore (₹342.19 crore) is payable to business associates under agreed arrangement leaving net receivable of ₹445.46 crore (₹445.46 crore) and is disclosed under long term doubtful trade receivable. Since the foreign buyers defaulted in making payment and as per the terms & conditions of agreement, the post dated cheques given by the business associates were encashed and were subsequently dishonoured by payee banks. Accordingly action against the business associates has been initiated u/s 138 of Negotiable Instruments Act, 1881 and proceedings are in progress. Summary suits & winding up petitions have been filed by the STC against the business associates for recovery of amount due before Hon'ble High Court Mumbai. As on date, winding up orders have been passed against most of the business associates. The matter is also under investigation by CBI. The legal proceedings



CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

- are being pursued by STC. However, as a matter of prudence and measure of abandon caution, full provision of ₹445.46 crore (₹445.46 crore) has been made in the earlier years to the extent of doubtful net trade receivables. Considering the legal enforceability of back to back agreement and corresponding credit of ₹342.19 crore (₹342.19 crore), in the opinion of management, no further provision is required for outstanding receivables of similar amount.
- 9.10 Other trade receivables include ₹41.92 crore (₹41.92 crore) excluding contingent assets of ₹149.64 crore (₹112.10 crore) on account of export of agri commodities to foreign buyers through Indian business associates against which credit balance of ₹41.92 crore (₹41.92 crore) under back to back arrangement is available under trade payable. The foreign buyer defaulted in making payment and upon non-receipt of the dues from business associate, the Company has initiated necessary legal steps against business associate for recovery. The matter is also under investigation by CBI. Considering the legal enforcibility of the agreement and corresponding credit of ₹41.92 crore (₹41.92 crore), no further provision is considered necessary.
 - 9.11 Other trade receivables include ₹10.21 crore (₹10.21 crore) recoverable from MARKFED, Govt. of Maharashtra (GOM) towards supply of RBD Palmolen under PDS Scheme during the year 2010-11 and 2011-12. All amounts relating to this supply were received by Company except the outstanding balance of ₹10.21 crore (₹10.21 crore) pending for final reconciliation at the end of MARKFED and Govt. of Maharashtra. Matter is being constantly taken up with GOM and MARKFED for recovery. However, as a matter of prudence, provision of ₹10.21 crore has been made during the previous year 2016-17.
 - 9.12 Non-Current trade receivables includes ₹3.22 crore (₹3.22 crore), excluding contingent assets of ₹4.11 crore recoverable from one of the business associates towards import of pet bottle material which are pledged with the company. The company has initiated necessary legal steps to recover the dues, a provision of ₹1.76 crore (₹1.76 crore) has been made to the extent dues not covered by pledged stock.
 - 9.13 Non-current trade receivables includes ₹0.02 crore (₹48.57 crore), excluding contingent assets of ₹111.66 crore (₹90.30 crore) recoverable from one of the business associate for goods sold in earlier years. The Arbitration case filed before ICA is being pursued vigorously, as result of which ₹48.55 crore have been received during the year 2017-18 from the associate. For the balance amount an application under section 9 of Arbitration and Conciliation Act 1996 is filed before Hon'ble Delhi High Court. Criminal proceedings u/s 138 of NI Act are also being pursued vigorously
 - 9.14 Non-current trade receivables includes ₹5.63 crore (₹5.63 crore), excluding contingent assets of ₹7.36 crore (₹5.05 crore) recoverable from one of the business associate for goods sold in earlier years. The company has filed arbitration proceedings against the business associate at ICC Kolkata, which is under process. The company has also initiated the legal proceedings for recovery u/s 138 of the Negotiable Instrument Act against the business associate. 2682 MT stock of raw jute valued ₹7.52 crore (approx.) was pledged by the associate against outstanding. After physical verification of the stocks on 04.04.2017 by High Court appointed Receiver, stock of only 156.92 MT was found. STC lodged FIR no. 160/17 against officials of business associates. Charge sheet No. 88/18 dated 28.02.2018 has been filed by the Investigating Officer at the Hon'ble Howrah Court which is pending trial. As a matter of prudence, full provision for ₹5.63 crore has been created during the current year.
 - 9.15 Trade receivables include an amount of ₹3.44 crore (₹8.14 crore) recoverable from one of the business associates for sale of edible oil. The dues are secured by pledged stock valuing approx ₹12.14 crore as per valuation report. In view of above, no provision is required in the books of accounts.
 - 9.16 Trade receivables includes an amount of ₹10.53 crore (₹10.53 crore), excluding contingent assets of ₹16.15 crore (₹9.86 crore) recoverable from one of the business associate for sale of met coke. A provision of ₹3.58 crore (₹3.33 crore) has been made against the dues. The balance dues are secured by mortgage of free hold land. For recovery of the balance dues, claim has been filed with NCLT through IRP. The company has filed legal and criminal case against the business associate which are being followed up.
 - 9.17 Trade receivables, loans & advances and other current & non-current assets include ₹9.27 crore (₹21.22 crore) which are under dispute/litigation etc. In some cases, there are corresponding payments withheld or receivables relating to commodities handled on account of Government of India. Hence no provision is considered necessary.
 - 9.18 ₹2.26 crore [excluding interest and trade margin] was due from one of the debtor against High Seas Sale and Pledge of stocks in their premises which was under CWC management. As the payment were not received, the Company invoked the Personal Corporate Guarantee executed one of the debtor in favor of the company and filed

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

cases under Section 138 of N.I. Act. The company has made full provision for ₹2.26 crore in the earlier years. Arbitral award dtd. 30.09.2013 came in favor of the Company for recovery of claims debtors has challenged the Arbitral award in the court and the Company has filed its objection. The party has remitted a sum of ₹0.18 crore during the current financial year leaving balance of ₹2.07 crore and to that extent the provision has been written back by the Company.

- 9.19 ₹17.10 crore due from another debtor. The Company has filed a private complaint in the magistrate court against debtor its sister concern and C&F Agent for unauthorized lifting of stock, which has been referred to the jurisdiction police station at Bangalore. Since B. Report was filed by the police. Company has challenged on the B report in the court requesting for re-investigation. The Company has initiated action u/s.138 of Negotiable Instrument Act for the return of the cheque unpaid. In addition the Company has invoked the personal guarantee issued by the director of RPFPL and against the non payment the Company has filed a recovery suit in the Kolkata High Court. The Arbitral award dtd.23.03.2016 came in favor of the Company. The Company has made full provision for Rs.17.10 crore in the earlier years.
- 9.20 Rs.8.96 crore due from one of the debtors (for which provision was made in the earlier years) against High seas Sale and Pledged of stocks held in the premises of Container Corporation of India at Chennai. As the Payments were not received. The Company invoked the personal Corporate Guarantee executed by debtor under 138 of NI Act. STCL is in the process of exploring possibilities with custom authorities for liquidation of the available stock for recovery of the dues. STCL had initiated Arbitration and Retired Justice had been appointed on 19.06.2016 as Arbitration proceedings was completed and the award was given in favor of STCL vide the order dated 20.06.2017 for an amount of ₹8.96 crore however SGSRL has challenged the award in the city civil court Bangalore which is in progress.
- 9.21 ₹0.17 crore due from one of the debtor Steam Sterilization unit at Chhindwara.

10. Loans

(Amount in ₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017	
Non-current			
A. Security Deposits			
I. Secured, considered good	0.28	0.28	0.28
II. Unsecured, considered good	3.48	3.44	7.29
III. Doubtful	4.14	4.14	4.15
Sub-total	7.90	7.86	11.72
Less: Allowance for bad and doubtful advances	4.14	4.14	4.15
Less: Fair value Adjustment-SD	0.01	0.05	0.04
(A)	3.75	3.67	7.53
B. Loan to Related Parties			
I. Secured, considered good	-	-	-
II. Unsecured, considered good	-	-	-
III. Doubtful	-	-	-
Sub-total	-	-	-
Less: Allowance for bad and doubtful advances	-	-	-
(B)	-	-	-
C. Loan to Employees			
I. Secured, considered good	2.77	3.63	3.62
II. Unsecured, considered good	0.17	0.41	0.69

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CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(Amount in ₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
III. Doubtful	-	-	-
Less: Allowance for bad and doubtful advances	-	-	-
Less: Fair value adjustments (Loans to employees)	(2.39)	(2.49)	(2.58)
Add: Interest accrued	5.46	6.22	6.88
Sub-total	6.01	7.77	8.61
Total	9.76	11.44	16.14
Current			
A. Security Deposits			
I. Secured, considered good	-	0.50	-
II. Unsecured, considered good	3.44	1.19	0.24
III. Doubtful	-	-	-
Sub-total	3.44	1.69	0.24
Less: Allowance for bad and doubtful advances	-	-	-
Less: Fair Value Adjustment-SD	0.05	0.05	0.02
(A)	3.39	1.64	0.22
B. Loan to Related Parties			
I. Secured, considered good	-	-	-
II. Unsecured, considered good	-	-	-
III. Doubtful	-	-	-
Sub-total	-	-	-
Less: Allowance for bad and doubtful advances	-	-	-
(B)	-	-	-
C. Loan to Employees			
I. Secured, considered good	0.70	0.98	1.17
II. Unsecured, considered good	0.25	0.64	0.79
III. Doubtful	-	-	-
Less: Allowance for bad and doubtful advances	-	-	-
Less: Fair value adjustments (Loans to employees)	(0.20)	(0.23)	(0.29)
Add: Interest accrued	0.95	1.00	0.94
Sub-total	1.70	2.39	2.61
Total	5.09	4.03	2.83
Amount Due from :			
Directors	-	-	-
Other Officers	4.95	6.75	7.04
Amount due from Firms/companies in which directors are partner/member/director	-	-	-

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

11. Other Financial Assets

(Amount in ₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current			
A. Term deposit with maturity more than 12 months:			
- Term Deposit with banks	1.80	2.82	4.46
- Term Deposit with others	8.29	7.75	7.23
- Interest Accrued on Term Deposits	0.23	0.34	0.33
(A)	10.32	10.91	12.02
B. Claims Recoverable			
I. Secured, considered good	-	-	-
II. Unsecured, considered good	8.74	8.76	10.95
III. Doubtful	97.17	92.78	118.66
Sub-total	105.91	101.54	129.61
Less: Allowance for bad and doubtful advances	97.17	92.78	118.66
(B)	8.74	8.76	10.95
C. Deposits	33.98	1.04	0.98
D. Other Misc. advance			
I. Secured, considered good	-	-	-
II. Unsecured, considered good	-	-	-
III. Doubtful	0.36	0.36	0.36
Sub-total	0.36	0.36	0.36
Less: Allowance for bad and doubtful advances	0.36	0.36	0.36
(C)	-	-	-
Total	53.04	20.71	23.95
Current			
a) Interest accrued on:			
- Term deposits with maturity more than 12 months	-	-	-
- Term deposits with maturity more than 3 and upto 12 months	0.03	0.10	-
- Term deposits with maturity less than 3 months	0.01	0.01	-
- Other Deposits (Flexi Deposits)	0.08	-	0.01
Term Deposit with banks with less than 3 months maturity	-	-	-
More than 3 months less than 12 months	-	-	-
b) Other	0.12	0.15	0.08

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CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(Amount in ₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
C. Claims Recoverable			
I. Secured, considered good	22.58	0.94	0.84
II. Unsecured, considered good	25.81	28.60	13.36
III. Doubtful	1,155.25	1,155.25	1,155.25
Sub-total	1,203.64	1,184.79	1,169.45
Less: Allowance for bad and doubtful advances	1,155.25	1,155.25	1,155.25
(C)	48.39	29.54	14.20
D. Security Deposits			
I. Secured, considered good	-	-	-
II. Unsecured, considered good	-	-	0.96
III. Doubtful	-	-	-
Sub-total	-	-	0.96
Less: Allowance for bad and doubtful advances	-	-	-
(D)	-	-	0.96
Total	48.63	29.80	15.25

- 11.1 Claim recoverable includes ₹7.32 crore (₹7.33 Crore) and ₹8.29 crore (₹8.22 crore) due from CCIC and HHEC respectively on account of common maintenance charges, property tax. Etc. These are Government of India Undertakings. The Company has received Rs.2.68 crore from CCIC and ₹1.17 crore from HHEC during the year 2017-18. Further, provision of ₹4.79 crore has been created against recoverable from HHEC and for the balance, matter has been taken up at higher level and the company is hopeful of receiving its entire dues from above organization.
- 11.2 Claims recoverable (Govt. of India) include ₹73.55 crore (₹73.55 crore) towards import of pulses under Govt. A/c during the years 2006-07 to 2010-11 which was fully provided during the year 2013-14. As approved by Department of Consumer Affairs, reimbursement limit was enhanced from 15% to 20% of the landed cost and period of claim was extended up to 30.09.2011 (i.e. by 6 months). During the financial 2015-16 and 2016-17, STC have received an amount of ₹41.40 crore from DOCA. Further, the reimbursement of remaining claims beyond 20% is being taken up with the DOCA by STC, on actual basis.
- 11.3 Current Claim recoverable includes ₹5.48 crore (₹Nil) recoverable from a supplier of Urea imported on Government Account. Upon inspection of Urea at discharge port, some variations in particle size were observed as compared to agreement provisions. As per the agreement the supplier is liable to pay to STC the claims on account of quality variations. Considering the current status, no provision is required.
- 11.4 Non Current Claim Recoverable includes ₹3.92 Crore (₹3.92 Crore) excluding contingent asset of ₹37.61 crore (₹30.99 crore) recoverable from one of the business associate. The company has filed a legal case against the associate for recovery of the said amount. As per the legal opinion obtained the ultimate outcome of the case may be in favour of company. Hence no provision has been made. Simultaneously there is counter claim against company for an amount of ₹39.41 crore (₹39.41 crore) by an associate. Legal proceedings are going on, As per the legal opinion obtained the ultimate outcome of the case may be in favour of company. Hence no liability has been recognized.
- 11.5 Loans and Advances includes Rs.1155.25 crore [net of security deposit/margin money] shown as Claims Receivable from one of the Business Associates. The Company opened usance letters of credit on overseas suppliers for import of Metal Scraps-[Nickel/Copper Scrap] for merchanting trade at the cost and risk of the Business Associates. The associates / buyers failed to meet the commitment of making the payment before the due dates of the Letters of

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

- Credit and this resulted in devolvement of LC's on Company. The net amount due from above business associate is Rs.1155.25 crore towards the cost of cargoes stuffed in 885 containers supposed to contain Nickel and Copper Scrap which were lying at South Korean and Vietnam Ports. As the payments were not received, few containers were got opened by the Company which were found to contain Iron Scrap instead of Nickel and Copper Scrap. The containers were auctioned by the port authorities. In view of the cargo being assessed as Iron/Steel Scrap and the auction sale price ranging from USD 206 to 250 per MT, the Company has filed complaints against overseas one of the seller, business associates as well as international inspection agency, all the Criminal complaints filed in India have been transferred to CBI New Delhi. CBI has investigated the matter and filed charge sheet on 7th December, 2016 in the court of XXI Additional City Civil & Sessions Judge & Special Judge for CBI cases Bangalore (CCH-4). The Enforcement Directorate, has issued a show cause notice to STCL and its four officials, business associates and 8 bankers of STCL in December 2011. The Company has replied to the show cause notice. Further The Special Director, Enforcement Directorate, Chennai, summoned the Company on 25.03.2014 and Company appeared and presented the details in the adjudication process. After completion of enquiry, Special Director, Enforcement Director Chennai passed on order bearing No.SDE/SRO/BGZO/01/2018(KRUB)Dated:30.01.2018 whereby STCL was held liable for contravening the provision of the foreign exchange management act 1999 (FEMA) and in particular section 10 (6) of the (FEMA)read with regulation 6(1) of the foreign exchange management (realisation,repatriation and surrender of foreign exchange regulation 2000. Company has filed the claims along with interest
- 11.6 Vide the impugned order, ED had levied a penalty of ₹10.00 (Rupees Ten Crore) with direction to pay the penalty within 45 days and the appeal on the above order shall lie with Appellate Tribunal under Smugglers and Foreign Exchange Manipulators (Forfeiture of property) New Delhi. STCL has filed appeal before the Appellate Tribunal on 09.03.2018 Praying for dropping the charges imposed against STCL along with penalty levied .STCL filed the appeal before the Appellate Tribunal on 09.03.2018 vide Appeal No.FE-12/CHN/2018. and matter was for hearing on 25.04.2018.
 - 11.7 The Company has initiated civil and criminal proceedings for recovery of the amount from the business associates and in this connection the Company has obtained injunction on the properties owned by the business associates which includes 154 acres of land belonging to them and group companies for which the business associates have submitted original title deeds to the SBI, lead bank of consortium of banks for creation of charge.
 - 11.8 The Company has filed criminal complaints against business associates under section 138 of the Negotiable Instruments Act for returning of the cheques unpaid and matter is pending before the court for disposal.
 - 11.9 Subsequent to the dismissal of SLP filed in the Supreme Court by FMPL/FEIPL, the High Court of Karnataka has re-appointed as sole Arbitrator vide its order dtd. 07.04.2017. He had issued the notice to both the parties for appearing on 18.05.2017 to start the arbitration proceedings. However he relinquished the office of the arbitration citing personal reason and STCL approached High Court of Karnataka for appointment of New Arbitrator. High Court vide its order dated 06.09.2017 appointed former Judge of High Court of Karnataka to adjudicate the matter. Arbitration fee is remitted by STCL and initiation of arbitration process is awaited .
 - 11.10 As the Sale is not concluded in these transactions due to non-receipt of payment from the buyers/associates, as per the contract, the amount payable towards devolved LC's [Purchase-Metal Scrap (Imports)] were transferred to the Business Associates account and treated as 'Claims Receivable from Business Associates' in accordance with the terms of contract.
 - 11.11 In this connection, the Company has obtained the court injunction on the properties of the business associate. The Company had engaged the services of Government and Banks Registered Valuer to assess the value of land located at Punjab during January, 2012. By oversight while converting 2382.91 Bighas into Acres from the valuation report dtd. 20.01.2012 it was wrongly mentioned as 578 acres as against 501.66 acres in the previous year accounts (4.75 Bighas equal to 1 Acre, 20 Biswa equal to 1 Bigha). Further the valuation of 2382.91 Bighas (501.66 Acres) was ₹548.45 crores as per the valuation report dtd. 20.01.2012 has come down to ₹400.28 crores as per the valuation report dtd. 02.12.2016 which has been shown in the below table.



CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(Amount in ₹ Crore)

Particulars of Properties	Average Value	
Immovable properties of Business Associates :		
Land located at Punjab [501.66 acres] as per valuation report did. 02.12.2016.	400.28	
Office Building located at New Delhi [9000 sqft]	29.69	
Land located at Chennai [9 acres]	40.25	
Land located at Maharashtra [29.951 acres] as per valuation report did. 18.06.2013	25.63	
Land located at Gujarat [202.618 acres]	20.00	515.85
Movable properties of Business Associates :		
Shares[45000] of Universal Pavers Pvt. Ltd., Tuticorin		16.98
Total		532.83

- 11.12 Enforcement Directorate vide its order bearing number F.No. ECIR/BGCO/25-26/2009 dated 31.03.2018 has confiscated the properties held by FMPL/ FEIPL and its group companies valuing for ₹39 crores.
- 11.13 In view of the pending establishment of clear title and creating charge on the properties of FMPL/ FEIPL and its group companies in favor of STCL / banks, full provision has been made as a measure of abundant precaution.
- 11.14 Based on the inquiry report, on the disciplinary proceedings in the matter of irregularities in the above transactions, Disciplinary Authority vide his order dtd. 07.05.2014 had imposed punishment of dismissal to three officials, compulsory retirement to five officials and reduction in the increment by two levels to one official. On the appeal made by two dismissed officials, the Appellate Authority, i.e. the Board of STCL set aside the dismissal order and imposed penalty of compulsory retirement. Further after going through the appeal made by other five officials, the Appellate Authority, in its 154th Board meeting held on 26th September, 2016 upheld the punishment imposed by the Disciplinary Authority i.e. compulsory retirement.

12 Deferred tax assets (Net)

Deferred tax assets and liabilities are attributable to the following:

(Amount in ₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
A. Deferred Tax Liability	2.07	2.07	2.07
Property, plant and equipment	-	-	-
Intangible assets	2.07	2.07	2.07
Sub Total			
B. Deferred tax Assets			
Unabsorbed Depreciation as per Income Tax	-	-	-
Short Term Capital Loss as per Income Tax	-	-	-
Employee benefits	-	-	-
Provisions	75.08	75.08	75.08
Other Disallowance	(0.01)	-	-
Sub Total	75.07	75.08	75.08
C. MAT Credit Entitlement	0.67	4.01	4.82
Net Deferred Tax (Liabilities)/ Assets	73.67	77.02	77.83

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Movement in deferred tax balances during the year ended 31.03.2018

(Amount in ₹ Crore)

Particulars	Balance as at April 01, 2017	Recognized in Profit & Loss	Balance as at March 31, 2018
Opening Balance	73.01	73.01	73.01
Additions during the year	-	-	-
Deletions during the year	-	-	-
Closing Balance	73.01	73.01	73.01

Unrecognised Deferred tax assets

Deferred tax assets have not been recognised in respect of the following items

(Amount in ₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deferred Tax Assets			
Provisions	258.11	222.76	163.44
Carry Forward losses	14.52	14.15	13.82
Other Disallowances	1006.85	858.23	683.80
Sub Total	1279.48	1,095.14	861.06
Deferred Tax Liabilities			
Property Plant & Equipment	0.25	4.46	4.50
Sub Total	0.25	4.46	4.50
Change in tax rate effect not recognized	(5.98)	134.91	-
Total	1273.25	1,225.59	856.56

Recognized MAT credit available to Company

Financial Year	2017-18	2016-17	2015-16
2014-15 (Amount)	0.67	4.01	4.82
Credit available up to Financial Year	31.03.2025	31.03.2025	31.03.2025

13 Tax Assets (Net)

(Amount in ₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non Current Tax Assets			
Advance Tax	-	-	-
TDS	-	-	-
MAT credit Entitlement	-	-	-
Non Current Tax Liabilities	-	-	-
Income Tax Payable/Provision	-	-	-
Total	-	-	-
Current Tax Assets			
Advance Tax including TDS	201.25	277.56	274.21
Current Tax Liabilities			
Income Tax Payable/Provision	190.94	257.60	241.25
Total	10.31	19.96	32.96



CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

14 Other Assets (Non-Financial)

(Amount in ₹ Crore)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-Current			
A. Capital Advances			
I. Secured, considered good	-	-	-
II. Unsecured, considered good	0.27	0.27	-
III. Doubtful	-	-	-
Sub-total	0.27	0.27	-
Less: Allowance for bad and doubtful advances	-	-	-
(A)	0.27	0.27	-
B. Trade Advances			
I. Secured, considered good	-	-	-
II. Unsecured, considered good	-	-	-
III. Doubtful	128.08	128.93	128.93
Sub-total	128.08	128.93	128.93
Less: Allowance for bad and doubtful advances	128.08	128.93	128.93
(B)	-	-	-
C. Other Misc. Advances			
I. Secured, considered good	0.26	0.26	0.26
II. Unsecured, considered good	3.82	4.02	2.40
III. Doubtful	0.63	0.63	0.57
Sub-total	4.71	4.91	3.23
Less: Allowance for bad and doubtful advances	0.63	0.63	0.57
(C)	4.08	4.28	2.66
D. Security Deposits			
I. Secured, considered good	-	-	-
II. Unsecured, considered good	-	-	-
III. Doubtful	0.50	0.50	0.50
Sub-total	0.50	0.50	0.50
Less: Allowance for bad and doubtful advances	0.50	0.50	0.50
(D)	-	-	-
E. Deferred Employee cost due to Fair Valuation	2.39	2.49	2.58
F. Deferred Fair Valuation Loss- Deposit Receivable	0.01	0.05	0.04
G. Claims Recoverable			
I. Secured, considered good	-	-	-
II. Unsecured, considered good	2.58	6.79	6.78
III. Doubtful	4.18	-	-
Sub-total	6.76	6.79	6.78
Less: Allowance for bad and doubtful advances	4.18	-	-
(G)	2.58	6.79	6.78
Total	9.33	13.88	12.06

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(Amount in ₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current			
A. Capital Advances			
I. Secured, considered good	-	-	0.06
II. Unsecured, considered good	-	0.01	0.07
III. Doubtful	-	-	-
Sub-total	-	0.01	0.13
Less: Allowance for bad and doubtful advances	-	-	-
(A)	-	0.01	0.13
B. Trade Advances			
I. Secured, considered good	-	0.02	-
II. Unsecured, considered good	6.67	12.52	2.53
III. Doubtful	-	-	-
Sub-total	6.67	12.54	2.53
Less: Allowance for bad and doubtful advances	-	-	-
(B)	6.67	12.54	2.53
C. Other Misc. Advances			
I. Secured, considered good	-	4.54	-
II. Unsecured, considered good	5.05	6.00	0.15
III. Doubtful	-	-	-
Sub-total	5.05	10.54	0.15
Less: Allowance for bad and doubtful advances	-	-	-
(C)	5.05	10.54	0.15
D. Other			
Prepaid Expenses	0.38	3.23	3.47
TA Advances	0.05	0.06	0.01
Advance for expenses	8.23	7.89	0.36
GST Input	4.58	-	0.29
VAT Receivable - Input/Service Tax Credit	0.23	0.28	0.22
Other	0.20	0.28	0.53
Deposits	0.04	0.05	0.08
(D)	13.71	11.79	4.96
E. Deffered Employee cost due to Fair Valuation	0.20	0.23	0.29
F. Deffered Fair Valuation Loss- Deposit Receivable	0.05	0.05	0.02
G. Claims Recoverable			
I. Secured, considered good	-	-	-
II. Unsecured, considered good	-	-	0.28
III. Doubtful	0.28	0.28	-
Sub-total	0.28	0.28	0.28
Less: Allowance for bad and doubtful advances	0.28	0.28	-
(G)	-	-	0.28
Total	25.68	35.16	8.36



CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

- 14.1 Non Current Claim recoverable include ₹4.17 crore (₹4.17 crore) from VAT Department for sale of RBD Palmolin under PDS Scheme on behalf of Markfed, Govt. Of Maharashtra (GOM). As a matter of prudence full provision have been made in the books of accounts during the F.Y. 2017-18.
- 14.2 Non-Current Trade advances includes a sum of ₹87.39 crore (₹87.39 crore), excluding contingent assets of ₹240.96 crore (₹166.53 crore) recoverable from one of the business associates, against which the company has initiated legal actions including criminal proceedings. In this regard, full provision has been made in earlier years. The Company was successful in getting arbitration award for ₹110.00 crore in its favour along with 12% interest per annum from 1st May 2006 till realization of award. However, the party has raised objections to the award before Hon'ble High Court at New Delhi and hearing of the same is in progress.
- The Loans and Advances includes the advance made to associate shippers for procurement of Iron Ore Fines and export thereof, for which full provision has been made in earlier years.
- a ₹12.64 crore [excluding interest] is due from one of the Business Associate regarding stock of around 29,400 MTS of Iron ore fines [subject to handling and storing loss on account of long storage period] approximately valuing ₹3.38 crore as per the present market value. The stocks are in the custody of one of the C&F agent and there is claim of custodian charges amounting to ₹1.66 crore. Further, one of business associate has moved in the High Court of Karnataka for appointment of Arbitrator, which is awaited.
 - b ₹6.85 crore [excluding interest] is due from one of the business associate, the matter was referred to arbitration. The arbitration award was declared in Company's favor for recovery of claim along with legal cost. Further one of the business associate has challenged the arbitration award and filed a petition before the Court and the matter is pending.
 - c ₹12.38 crore [excluding interest] is due from another business associate and a stock of 6,005 MTs of Iron ore fines at Vizag and 503 MTS of Iron ore fines at Kakinada approximately valuing ₹0.74 crore/- as per the present market value. The stocks were in the custody of C&F Agents and there was a claim of custodian charges amounting to ₹0.62 crore. After negotiation with the C & F Agent, STCL had finalised a one time settlement of ₹0.38 crore. STCL had disposed off the Iron ore Fines of 6000 MTs lying with the C & F Agent held on account of DMRIPL for ₹0.72 crore- to Hanuman Agro Cotton Kurnool Ap, with the consent of the party. Sale agreement for this transaction was entered between DMRIPL and Hanuman Agro on 09.10.2017. The company has adjusted the realized value of ₹0.34 crore to the outstanding dues of DMRIPL after paying the C & F charges. As these transactions had been undertaken on account DMRIPL, the sales and C&F charges had not been reflected in the financials statements of the company.
 - d The Company has issued charge sheet to 7 officials in respect of (i), (ii) & (iii) above and also in respect of quality claims of USD 2.88 Million [₹18.67 crore] by overseas buyer against Company which is shown under contingent liability. The CVC has appointed the inquiry officer and the inquiry is in progress.
 - e ₹4.20 crore due from one of the business associate. The Company has filed a Private Complaint for diverting and misappropriation of 371 MTS of Pulses. Since the 'B' report has been filed by the Police after investigation, the Company has challenged on the 'B' report filed by the police in the Court requesting for re-investigation. The Company has also filed case under section 138 of NI Act, the legal proceedings are in progress. The Company has made full provision for the amount due of ₹4.20 crore in the earlier years. However SKT has remitted a sum of ₹0.30 crore during this financial year leaving a balance of ₹3.90 crore.

15 Inventories

(Amount in ₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
A. Stock in trade including with handling agents/local agent	0.01	39.46	0.05
B. Stores and spares	0.12	0.06	0.05
C. Loose tools	-	-	-
D. Packing Materials	0.05	0.05	0.05
E. Stationery	0.06	0.10	0.07
F. Others	0.01	0.04	0.20
Total	0.25	39.71	0.42

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

16 Cash & Cash Equivalents

(Amount in ₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Cash in hand	0.01	0.00	0.01
Cheques, Drafts on hand	-	-	0.01
Stamps & Stamp Papers	-	-	-
Balances with Banks	-	-	-
- Cash Credit account - Debit Balance	0.07	1.35	2.31
- Current Accounts	20.76	5.86	5.67
- Current Account in Foreign currency - EEFC	0.01	0.01	0.01
Sub-total (A)	20.85	7.22	8.01
Other Bank Balances			
- Term Deposits with maturity upto 3 months	78.35	0.05	0.44
- Other Deposit with 3 months or less maturity	-	-	0.50
Sub-total (B)	78.35	0.05	0.94
Total	99.20	7.27	8.95

16.1 The Cash and Bank balance include ₹0.01 crore equivalent to USD 1,368.10 which was held in EEFC accounts at the bank, for which USD 1000/- Confirmation was received from the banks. Above amount is restated as on March 31, 2018, March 31, 2017 and April 1, 2016 as per rate of ₹65.57, 64.84 and 66.33 respectively.

17 Bank Balances

(Amount in ₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current			
a. Balances with Banks			
- Unpaid Dividend Balance Account	0.08	0.11	0.20
- As Margin money/under lien	2.45	2.23	0.18
- In term deposits with maturity more than 3 and upto 12 months	-	-	0.74
Total	2.53	2.34	1.12

18 Equity Share Capital

(Amount in ₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorized			
Equity shares			
20,00,00,000 equity shares of Rs. 10/- each	200.00	200.00	200.00
Issued, subscribed and fully paid			
Equity shares			
6,00,00,000 equity shares of Rs. 10/- each	60.00	60.00	60.00
	60.00	60.00	60.00

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CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Reconciliation of share Capital:

(Amount in ₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Opening Equity Shares	60.00	60.00	60.00
Add: No. of Shares, Share Capital issued/subscribed during the period	-	-	-
Closing balance	60.00	60.00	60.00
Shares in the company held by shareholder holding more than 5 percent			
Name of the Shareholder			
- President of India (90% shareholding)	5,40,00,000.00	5,40,00,000.00	5,40,00,000.00
- Others	-	-	-

Equity shares issued and subscribed do not enjoy any differential rights.

19 Other Equity

(Amount in ₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
General Reserve	-	-	-
Balance as per last financial statements	65.54	65.54	65.53
Add: Transfer to General Reserve on account of revaluation of Fixed Asset.	-	-	0.01
Add: Amount Transferred from surplus Balance in the statement of Profit & Loss	-	-	-
Closing Balance	65.54	65.54	65.54
Capital Reserve			
Balance as per last financial statements	2.50	2.50	3.70
Add: Amortization of Grant	-	-	(1.20)
Closing Balance	2.50	2.50	2.50
Retained Earnings			
Balance as per last financial statements	(4,040.53)	(3,314.14)	(3,314.03)
Add /Less : Opening balance transferred to CO	-	-	-
Add: Profit for the year	(616.19)	(726.38)	-
Transfer from bonus reserve	-	-	-
Transfer to bonus reserve	-	-	-
Adjustment of Componentisation of PPE	-	-	(0.05)
Prior Period Adjustment	-	-	(3.19)
Other Adjustments (EEFC, Grant ASIDE, actuarial)	-	-	3.13
Closing Balance	(4,656.72)	(4,040.52)	(3,314.14)
Revaluation Reserves			
Balance as per last financial statements	885.96	885.96	885.97
Add: Transfer to General Reserve on account of revaluation of Fixed Asset.	-	-	(0.01)
Add: Any other change	-	-	-
Closing Balance	885.96	885.96	885.96

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Exchange Fluctuation Reserves			
Balance as per last financial statements	6.50	6.50	6.50
Add: Any other change	-	-	-
Closing Balance	6.50	6.50	6.50
Bonus Reserve			
Balance as per last financial statements	-	-	-
Transfer to bonus reserve (set on)	-	-	-
Transfer from bonus reserve (set off)	-	-	-
Closing Balance	-	-	-
Contingency Reserve			
Balance as per last financial statements	4.35	4.35	4.35
Add less any transfer	-	-	-
Closing Balance	4.35	4.35	4.35
Equity Instruments through OCI			
Balance as per last financial statements	-	-	-
Impairment	-	-	-
Closing Balance	-	-	-
Total	(3,691.87)	(3,075.67)	(2,349.29)

19.1 In Line with ITFG 8 the amount of revaluation reserve as on 01.04.2016 has been kept separate item in other equity.

20 Borrowings

(Amount in ₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non Current			
I. Term Loans:	-	-	-
a. From banks	-	146.28	-
b. From other parties	-	-	-
II. Working Capital Loans:	-	-	-
a. From banks	-	-	-
- Cash Credit	-	-	-
- Packing Credit Pre Shipment	-	-	-
- Packing Credit Post Shipment	-	-	-
- Working Capital Demand Loan	-	-	-
- Working Capital Term Loan	-	-	-

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CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(Amount in ₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
b. From Others	-	-	-
III. Deferred Payment Liabilities	-	-	-
IV. Deposits	-	-	-
V. Loans & Advances from related parties	-	-	-
VI. Long Term Maturities of Finance Lease Obligations	-	-	-
VII. Other loans & advances (specify)	-	-	-
TOTAL	-	146.28	-
Current			
I. Term Loans:	-	-	-
a. From banks	-	-	176.28
b. From other parties	-	-	-
II. Working Capital Loans:	-	-	-
a. From banks	-	-	-
- Cash Credit	2,526.98	2,439.24	2,573.64
- Working Capital Demand Loan	208.12	200.00	-
- Working Capital Term Loan	-	-	-
- Packing Credit Pre Shipment	46.85	46.85	46.85
- Packing Credit Post Shipment	-	-	-
- Buyer's Credit	-	-	4.20
b. From Others	-	-	-
III. Loans repayable on Demand:	-	-	-
a. From banks	-	-	-
b. From Others	-	-	-
IV. Deferred Payment Liabilities	-	-	-
V. Deposits	-	-	-
VI. Loans & Advances from related parties	-	-	-
VII. Short Term Maturities of Finance Lease Obligations	-	-	-
VIII. Other loans & advances (specify)	-	-	-
Total	2,781.95	2,686.09	2,800.97
Non Current :			
Secured	-	146.28	-
Unsecured	-	-	-
Total	-	146.28	-
Current :			
Secured	2,781.95	2,686.09	2,800.98
Unsecured	-	-	-
Total	2,781.95	2,686.09	2,800.98

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

- 20.1 with respect to holding co., Loans of ₹1,596.69 crore (₹1500.83 crore) from banks are secured against the current assets of the Company on pari-passu basis.
- 20.2 with respect to subsidiary co., cash credit of ₹1185.26 crore (₹1185.26 crore) from banks are secured by pari-passu charge over the assets of the subsidiary Company.
- 20.3 The Holding company has not serviced the due interest and principal on borrowings of ₹1612.23 crore (including interest accrued of ₹15.60 crore shown under current Liabilities in note no. 22) for more than 90 days from four Banks, therefore these banks had classified borrowings of ₹1612.23 crore to STC account as Non Performing Assets (NPA) during current Financial Year. Total amount defaulted as on 31.03.2018 is ₹615.93 crore.
- 20.4 The Holding Company has submitted to the lenders its resolution plan for re-structuring of working capital loans which is under consideration.
- 20.5 The Holding 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 twelve 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. Legal actions have been taken for recovery from the associates.

All these have led to temporary financial crunch, operating losses, reduction of net worth. Due to non payment of Loan and interest on borrowings, banks have reported the company account as NPA. The company has appointed financial advisor for restructuring of existing loans and for raising additional working capital loans. The source of current liquidity crunch faced by STC is not structural deficiency but the problem on account of some transactions which the company is trying to resolve. Therefore, the Company has approached its lenders for an appropriate resolution plan with the objective to meet the operations of the company viable and sustainable. The Company is engaged with the lenders for resolution plans.

Revival restructuring plan for 2018-19 includes:

1. The company has taken up the matter with Govt. for issuance of letter of Comfort for an amount of Rs. 500 crore. The funds raised against LOC would be used for executing perpetual Lease deed of office complex Jawahar Vyapar Bhawan (JVB). After executing perpetual Lease deed, there would be substantial increase in value of the property. The company then proposes to raise additional funds against the properties. The adequate support of Ministry of Commerce, Govt. of India, establishes our faith as a going concern entity.
 2. Substantial amount is expected to be recovered from various associates in the coming years.
 3. 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 steps undertaken from Sr. No. 1 to 3 above, it is believed that the company 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, hence considering the facts given above:-
- a. Accounts have been prepared on going concern basis.
 - b. The company continues to account for 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, and
 - c. No provision for impairment of non-current assets has been considered necessary.
- 20.6 The total liabilities to banks along with interest amounting to ₹4,563.55 crore is payable to consortium of seven banks and UCO Bank in respect of devolved LCS/Packing credits since 2008-09. No confirming was received from the banks. The subsidiary company has calculated the interest based on the interest rates disclosed in their DRT application filed by Uco bank and consortium of banks. Cash credit/Short term loan is as per the claim in the DRT (Debt Recovery Tribunal) application filed by consortium of seven banks and UCO bank on 20.07.2011. The above loan has been classified as NPA by consortium banks and UCO bank. The subsidiary company has created pari passu charge on the current assets in favor of the banks and also surrendered the documents of immovable



CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

properties situated at Chindwara (3.239 hectares). Byadgi (5 acres) Siddapura (2.20 acres) and madikeri (0.50 acres) in favor of the Bankers. In view of the immovable properties of STCL given as security an estimated amount of ₹1.82 crore out of the total advances can be considered as secured. The consortium of banks and UCO Bank have filed cases separately against the company with the Debt Recovery Tribunal. Wherein with regard to UCO bank recovery case. DRT has passed an order dtd. 29.09.2015 for recovery of ₹148.18 crore. However the company has challenged DRT order at DRAT, Chennai. The bankers have also issued notice u/s 13(2) of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act. 2002. Further based on the above, the bankers have issued two Possession Notice one dt 26.10.2011 on the Factory Land and Building located at Byadgi and another dt.17.11.2011 on Factory Land and Building located at Chindwara, Madhya Pradesh.

21 Trade Payable

(Amount in ₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non Current			
a) Bill Acceptances	12.34	12.28	12.64
b) Trade Payables	980.95	980.36	1,002.69
c) Others	-	-	-
Total	993.29	992.64	1,015.33
Current			
a) Bill Acceptances	-	-	2.64
b) Trade Payables	216.45	175.21	639.15
c) Others	-	-	5.98
Total	216.45	175.21	647.77

21.1 Trade payables includes amount payable to U.P. Government of ₹6.03 crore (₹6.03 crore) (Net Of Claim Recoverable ₹2.62 crore) adjustable against various claims of interest and carrying charges amounting of ₹39.11 crore made by company upon U.P. Government and shown as Contingent Assets.

22 Other Financial Liabilities

(Amount in ₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non Current			
a. Advance from customer	1.80	1.80	1.80
b. Customers at Credit	19.80	19.79	15.95
c. Other liabilities	-	-	-
- Outstanding liabilities for goods & services received	4.30	4.96	5.01
- Stale Cheques	-	-	-
- Deposits	8.97	8.90	8.56
- Security Deposits	1.69	3.72	1.75
Less : Security Deposit Payable Adjustment	(1.21)	(2.04)	(2.23)
- Earnest money deposits	1.75	1.81	2.76
d. Employees' dues:	-	-	-
- Pay & Allowances	-	-	0.06
- Dues to employees on accrual basis	-	-	-
- Encashment of earned leaves	11.58	10.62	13.98
- Other expense	-	0.01	-
- Undisbursed Salary	0.01	-	-

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(Amount in ₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
e. Remittances:			
- STC's employees union	-	-	-
- Thrift Society	-	-	-
Total	48.69	49.57	47.64
Current			
a. Advance from customers	0.23	3.14	-
b. Customers at Credit	58.46	18.08	33.88
c. Unclaimed dividend	0.08	0.11	0.17
d. Investor Education & Protection Fund	-	-	0.03
e. Interest accrued but not due on borrowings	-	1.30	1.62
f. Interest accrued and due on borrowings	3,399.91	2,773.95	2,212.13
g. Current Maturities of Long Term Borrowings	151.28	20.00	-
h. Other liabilities	-	-	-
- Outstanding liabilities for goods & services received	110.77	117.30	140.10
- Outstanding liabilities for goods & services received (PP)	-	-	-
- ASIDE Grant Repayable	0.94	0.89	0.84
- Deposits	6.16	0.87	1.19
- Stale Cheques	-	0.04	0.04
- Security Deposits	10.98	13.34	4.56
- Security Deposits (Fair Value Adjustment)	(0.06)	-	-
- Earnest money deposits	65.85	65.36	66.95
i. Employees' dues:			
- Pay & Allowances	0.11	0.09	0.13
- Other expense	0.30	0.17	0.13
- Dues to employees on accrual basis	0.25	0.28	0.15
- Encashment of earned leaves	2.27	2.43	1.59
- STC's employees union	-	-	-
- STC's Officers' Association	-	-	-
- STC's SC/ST Employees Welfare Association	-	-	-
- Salary Saving scheme	0.01	0.01	0.01
- Thrift Society	0.03	0.03	0.04
- Undisbursed Salary	0.03	0.01	0.01
- Others (Recreational Club)	0.02	0.04	0.05
j. Premium payable on Forward Contract	-	-	0.16
k. Book Overdraft/Stale Cheques	-	-	-
Total	3,807.62	3,017.44	2,463.78



CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

- 22.1 On the basis of judgment dated 03.02.2016 of Honorable Supreme Court, NDMC vide Assessment orders dated 30.12.2016 and dated 02.01.2017 has re-assessed the rate-able value of Jawahar Vyapar Bhawan. As per the assessment order, STC has to pay ₹80.03 Crore. However, STC has made an interim payment of ₹20.00 Crore and ₹2.12 Crore towards revised property tax return for the F.Y. 2016-17. STC represented to NDMC for review of the property tax assessment and also filed two appeals before the District Judge, Patiala House, New Delhi to get the property tax assessment done correctly by NDMC since an incorrect property tax assessment has been done by NDMC. As the matter is sub-judice, against NDMC property tax bill dated 10.12.2017 for the year 2017-18, an amount of ₹12.69 crore (₹0.98 & 0.76 recoverable from CCIC & HHEC) is provided towards unpaid property tax in the current year accounts.
- 22.2 The Holding company has not serviced the due interest and principal on borrowings of ₹157.30 crore for more than 90 days from one Bank, therefore the bank had classified borrowings of ₹157.30 crore to STC account as Non Performing Assets (NPA) during current Financial Year. Total amount defaulted as on 31.03.2018 is ₹11.02 crore.
- 22.3 The Grant-in-Aid includes ₹6.29 crore- received as 'Grant' from Government of India under ASIDE Scheme towards establishment of Steam Sterilization unit and Grinding & Packing Unit at Spice Park, Chhindwara. The subsidiary Company has availed a concessional customs duty of 3% under EPCG Scheme there by saving ₹1.21 crore while importing the steam sterilization machineries under export obligation to eight times of the value of duty saved within eight years and if the Company failed to meet the export obligation it is liable to pay custom duty along with interest at the rate of 15% P.A. In this regard the subsidiary Company has furnished a EPCG bond of ₹3.76 crore to customs authorities. The concessional customs duty availed under EPCG Scheme of ₹1.21 crore and interest payable thereon ₹1.57 crore total of ₹2.79 crore shown under other liabilities.
- 22.4 Interest Payable on Devolved LC and Packing Credit liabilities accrued and due [since 2009-10]

(Amount in ₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
- Axis Bank	198.15	165.31	135.88
- Canara Bank	625.67	499.95	394.29
- IDBI Bank Ltd.	461.44	373.16	296.74
- State Bank of India	517.34	418.2	332.78
- UCO Bank	372.43	296.55	232.62
- Union Bank of India	525.2	417.1	326.47
- Vijaya Bank	646.53	527.43	424.31
- Yes Bank	31.53	25.88	20.92
Total	3378.29	2723.58	2164.01

- 22.5 Interest payable of ₹3,378.29 crore 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. Interest provision of ₹654.70 have been made by the Company for the current financial year. However no confirmation is received from bank for interest payable.
- 22.6 An amount of ₹0.50 crore [less Rs.0.005 crore Service Charges of VITC - Net ₹0.49 crore] received in the year 2009-10 as funding under ASIDE Scheme from Visvesvaraya Industrial Trade Centre, Bangalore and the same has been accounted as Grants towards Pepper Processing Unit at siddapura. However due to financial constraints the project was put on hold and the W-I-P of ₹0.26 crore was written off towards Impairment as on 31.03.12. As per the terms of the grant, if the project is not completed, the grant has to be refunded along with interest @ 10%. Accordingly, the grant received along with interest of ₹0.94 crore has been shown under Current Liabilities as ASIDE Grant Repayable -Siddapura.

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

23 Provisions

(Amount in ₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non Current			
Provisions for Employee Benefits			
Encashment of Half pay leave	9.97	11.48	12.11
Post Retirement medical benefits	95.69	95.60	90.51
Long service awards	-	1.34	1.40
Others	-	-	-
Total	105.66	108.42	104.02
Current			
A. Provisions for Employee Benefits			
Encashment of Half pay leave	2.97	3.23	2.28
Post Retirement medical benefits	7.35	6.83	6.44
Long service awards	-	0.19	0.14
Gratuity	8.96	-	0.04
Performance Related Pay	0.01	0.01	0.01
Others (specify nature)	1.28	1.17	1.28
Sub Total (A)	20.57	11.43	10.19
B. Other Provisions			
Contingencies	11.27	8.77	5.67
Exchange Difference on Forward Contract	-	-	0.08
Others (specify nature)	-	-	-
Sub Total (B)	11.27	8.77	5.75
Total(A+B)	31.84	20.20	15.94

24 Other Liabilities (Non-Financial)

(Amount in ₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non Current			
a. Advance from customers	0.06	0.11	0.12
b. Customers at Credit	-	-	-
c. Other liabilities	-	-	-
- Outstanding liabilities for goods & services received	-	-	-
- Stale Cheques	-	-	-
- Deposits	-	-	-
- Security Deposits	-	-	-
- Deferred Fair Valuation gain-Deposit Payable	1.17	1.81	2.18
- Earnest money deposits	-	-	-

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CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
d. Remittances:			
- STC's employees union	-	-	-
- Thrift Society	-	-	-
e. Grant received from VITC under ASIDE Scheme	1.20	1.20	1.20
Less-Amortization towards depreciation	1.04	1.00	0.96
	0.16	0.20	0.24
f. Grant in aid received under ASIDE scheme	6.29	6.29	6.29
Less- Amortization towards depreciation PPE	1.65	1.61	1.50
Less- Amortization towards depreciation	3.50	3.35	3.21
	1.14	1.33	1.58
Total	2.53	3.45	4.12
Current			
a. Advance from customers	70.02	92.15	42.88
a(i) Interest free advance form PSFMC	-	-	-
b. Customers at Credit	-	1.37	-
d. Other liabilities	-	-	-
- Outstanding liabilities for goods & services received	-	-	-
- Stale Cheques	-	-	-
- Liability for CSR	0.02	0.15	0.22
- Deposits	-	-	-
- Security Deposits	-	-	-
- Security Deposits (Deferred fair value gain)	0.09	0.23	0.05
- Earnest money deposits	-	-	-
- Book Overdraft	-	-	-
e. Remittances:	-	-	-
- Professional Tax	0.01	0.01	0.01
- Sales Tax/ Value added Tax	0.02	8.11	0.52
- Service Tax	-	-	0.19
- Income Tax deducted at source	0.86	1.73	1.18
- Goods & Service Tax (GST)	13.56	-	-

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(Amount in ₹ Crore)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
- STC's employees union	-	-	-
- STC's Officers' Association	-	-	-
- STC's SC/ST Employees Welfare Association	-	-	-
- Contribution to Provident Fund	1.63	1.78	1.77
- Contribution to Employees Pension Scheme - 95	0.07	0.06	0.06
- Contribution to Employees Pension Fund	0.32	0.33	0.33
- Salary Saving scheme	-	-	-
- Thrift Society	-	-	-
- Others	-	0.03	0.02
Total	86.60	105.95	47.23

- 24.1 Provision for contingencies include ₹1.78 crore (₹Nil). As part provisions for contingencies being made in respect of demurrage payable to one of the business associate as a matter of prudence. However, matter is subjudice with Hon'ble Delhi High Court.
- 24.2 The liability for CSR outstanding as on 31.03.2018 for the earlier years budgeted amount is Nil (Nil). The unspent fund is ₹0.02 crore (₹0.15 crore), which is a committed budget that is carrying forward to the next financial year 2018-19. The committed budget is for Emergency Needs and Administrative Expenses.
- 24.3 Gross amount required to be spent by the company during the year ₹ NIL (NIL)

(Amount in ₹ Crore)

S.No.	Nature of Expenditure	Cash Paid	Yet to be paid	Total
1	Construction/ Acquisition of Asset	0.00(0.003)	0.0 (0.00)	0.00 (0.003)
2	On purpose other than (1) above	0.136(0.07)	0.014(0.00)	0.15(0.07)

- 24.4 Short term provision for contingencies includes ₹9.38 crore (₹8.66 crore) in respect of contract entered into by the company for import of goods on behalf of the associates. The documents tendered by the supplier were forged and fabricated. The company initiated legal proceedings against the associate u/s 138 of NI Act for recovery of dues. However as a matter of abundance prudence, a provision for contingencies has been made in the books of account.
- 24.5 The Grant-in-Aid includes ₹6.29 crore received as 'Grant' from Government of India under ASIDE Scheme towards establishment of Steam Sterilization unit and Grinding & Packing Unit at Spice Park, Chhindwara. The Company has availed a concessional custom duty of 3% under EPCG Scheme there by saving ₹1.21 crore while importing the steam sterilization machineries under export obligation to eight times of the value of duty saved within eight years and if the Company failed to meet the export obligation it is liable to pay custom duty along with interest at the rate of 15% p.a. In this regard the company has furnished a EPCG bond of ₹3.76 crore to the customs authorities. The concessional custom duties availed under EPCG Schemes of ₹1.21 crore and interest payable thereon ₹1.57 crore total of ₹2.79 crore shown under other liabilities. This amount equals to the accumulated depreciation up to the end of the year for ₹3.49 crore of Chhindwara Plant.
- 24.6 Grant received from VITC under ASIDC amounting ₹1.20 crore received as 'Grant' from M/s. Visvesvaraiya Industrial Trade Centre [Govt. of Karnataka Centre for Export Promotion] [VITC] under ASIDE Scheme during the year 2006-07 towards Chilly Processing Plant, Byadgi which has been accounted as Promoters' Contribution.

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CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

25 Revenue From Operations

(Amount in ₹ Crore)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
(a) Sales		
Export	265.54	788.86
Imported Goods	10,216.50	6,381.69
Domestic	343.00	581.62
Sub total (A)	10,825.04	7,752.17
(b) Other operating revenue		
Exchange fluctuations- gains	0.54	24.81
Discount on forward Contract	-	0.17
Claims:	-	-
From Govt. of India	19.61	0.04
From Insurance agencies	-	-
From Others	0.09	0.09
Others	20.43	37.21
Sub total(B)	40.67	62.32
Total	10,865.71	7,814.49

26 Other Income

(Amount in ₹ Crore)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
(a) Interest income:-		
Advance to Employees	0.56	0.69
- Deposits pledged/under Lien as margin money	0.27	0.24
- Other Deposits	1.07	0.30
Income Tax Refunds	5.17	0.01
- Other than PCFC/EPC	260.90	232.40
Other Miscellaneous interest	0.92	3.68
Sub Total (A)	268.89	237.32
(b) Miscellaneous income:-		
Rent received from Employees	0.12	0.16
Other Receipts	-	-
Amortization of Grant	0.24	0.28
Sub Total (B)	0.36	0.44
(c) Rental income:		
Rent Received from let-out property	35.64	35.64
Recoveries for common services from tenants	5.64	5.88
Sub Total	41.28	41.52

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(Amount in ₹ Crore)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Less: Expenses related to let out property	-	-
Land & Development office charges@25%	-	-
Property tax/Municipal tax	8.91	6.19
Ground Rent	-	-
Electricity & Water charges	-	-
Rates and Taxes	-	-
Insurance Premium	0.07	0.08
Maintenance Charges	0.57	0.92
Administrative Expenses	0.57	0.86
Sub Total	10.12	8.05
Net rental income (c)	31.16	33.47
(d) Other Receipts:-		
Difference in exchange other than commodity items	0.02	0.40
Misc. non Trade receipts	2.14	0.77
Amortisation income of Deferred employee advances	0.31	0.36
Amortisation income of Deferred Security deposit	0.82	0.55
Sub Total (D)	3.29	2.08
Total	303.70	273.31

- 26.1 Other Income include interest of ₹259.47 crore (FY 2016-17 ₹231.93 Crore) recoverable from one of the business associate with whom conciliation agreement has been signed which has been held as final by Hon'ble Supreme Court. Dues are secured by EMD of ₹29.73 crore and the personal guarantee of Chairman of its holding company. The case for enforcement of decree is continuing with Hon'ble Supreme Court. During the year, the business associate remitted an amount of ₹100.00 crore with the knowledge of Hon'ble Supreme Court. Considering the status of case in the Hon'ble Supreme Court, the management is hopeful that the associate may come out with settlement proposal for repayment of entire dues to STC. Next date of hearing is 04.07.2018. Hence the debt is good and interest accrued thereon is recognized as income.
- 26.2 STCL had disposed the Iron Ore Fines of 6005 Mts lying with C&F agent Ms, Prathusha Associates Shipping Pvt Ltd, Visaz on account of DMRIPL for ₹0.72 crore to M/s Hanuman Agro Cotton Industries Kurnool, AP with the consent of the party. Sale agreement for this transaction has been entered between DMRIPL and M/s Hanuman Agro Cotton Industries on 09.10.2017. The C&F Agent had raised for ₹0.62 crore vide bill dated 09.08.2017, STCL had negotiated a one time settlement of ₹0.38 crore with C&F Agent. The company had adjusted the realised value of ₹0.34 crore (exact realized value ₹0.30 crore) to the outstanding dues of DMRIPL after paying Clearing and Forwarding charges. Since this transaction had been undertaken on account of DMRIPL, the sales and C&F charges had not been reflected in the Financial Statement of the company.



CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

27. Cost of Materials consumed

(Amount in ₹ Crore)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Opening balance of material	0.05	0.05
Add: Purchases made during the Year	0.01	0.04
Less: Closing balance of material	0.05	0.05
Total	0.01	0.04

28 Purchase of Stock-in-Trade

(Amount in ₹ Crore)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Export Purchase	250.40	741.50
Import Purchase	9,235.03	6,042.28
Domestic Purchase	339.15	574.66
Freight -Road	-	-
-Rail	-	0.70
-Marine	9.98	29.82
Freight Reimbursement	2.75	23.67
Exchange fluctuation -loss	-	-
Insurance - General	0.25	0.17
- Marine	-	0.42
- Self insurance	-	-
Customs Duty	956.86	396.53
Clearing, Handling, Survey fee, port & Other Charges	2.94	4.65
Sales Tax/ Sur Charge on Sales Tax/VAT	0.07	0.25
Other Expenses	0.03	-
Octroi/Purchase Tax Reimbursement	0.04	0.90
Total	10,797.50	7,815.55

29 Changes in Inventory

(Amount in ₹ Crore)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
A. Finished Goods		
At the beginning of Year	-	0.03
Less : At the end of Year	-	-
(A)	-	0.03
B. Stock-In-Trade	39.46	0.18
At the beginning of Year	0.02	39.46
Less : At the end of Year	39.44	(39.28)
(B)	39.44	(39.25)
Changes in Inventory	39.44	(39.25)

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

30 Employees' Benefit Expenses

(Amount in ₹ Crore)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
(a) Remuneration to Staff & Managers		
Salaries and Allowances	63.43	67.19
Encashment of Earned Leave	3.81	4.35
Encashment of Half Pay Leave	(0.45)	0.67
Residential Rent	-	-
Provident fund	4.98	5.15
Employees pension scheme 95 (EPS 95)	0.77	0.85
Bonus	-	-
Performance Related Pay	-	-
Welfare Expenses:		
- Medical Expenses on regular employees (OPD)	1.58	2.14
- Medical Expenses on regular employees (IPD)	2.62	2.94
- Medical Expenses on retired employees (OPD)	3.05	3.09
- Medical Expenses on retired employees (IPD)	6.05	5.92
- Medical Expenses on Actuarial liability	0.61	5.45
- Long Service Award including at the time of Retirement	0.01	0.14
- Others	0.77	1.43
Gratuity	14.83	2.11
Pension	4.21	4.37
Amortisation expenses of Deferred employee cost	0.10	0.15
Voluntary retirement benefit	0.03	-
Overtime allowance to staff	-	-
Sub Total	106.40	105.95
(b) Remuneration to Directors		
Salaries and Allowances	1.49	1.60
Encashment of Earned Leave	0.09	0.19
Encashment of Half Pay Leave	0.04	0.19
Residential Rent	-	-
Provident fund	0.10	0.14
Employees pension scheme 95 (EPS 95)	-	0.01
Performance Related Pay	-	-

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CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(Amount in ₹ Crore)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Welfare Expenses:	-	-
- Medical Expenses on regular employees (OPD)	0.01	0.02
- Medical Expenses on regular employees (IPD)	-	0.01
- Medical Expenses on retired employees (OPD)	0.05	0.05
- Medical Expenses on retired employees (IPD)	0.19	0.08
- Medical Expenses on Actuarial liability	0.01	0.03
- Others	-	-
Gratuity	0.27	0.05
Pension	0.06	0.07
Voluntary retirement benefit	-	-
Sub Total	2.31	2.44
Total	108.71	108.39

31 Finance Cost

(Amount in ₹ Crore)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Bank Loan :		
- Working capital Demand Loan(WCDL)	698.85	595.61
- Cash Credit	134.03	122.62
- Export packing credit/PCFC	-	-
- BAS/External Commercial borrowing	-	-
Business associates :	-	-
- Deposits pledged / under Lien as margin money	-	0.12
- Other Deposits	0.25	0.03
Income Tax	-	0.02
TDS/TCS	-	-
VAT	-	-
Micro, small & medium enterprises	-	-
Loan Processing charges	(0.26)	0.35
Exchange fluctuation on borrowing	-	-
Credit Rating Expenses	0.08	0.09
Others	0.43	0.03
Total	833.38	718.87

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

32 Depreciation And Amortization Expenses

(Amount in ₹ Crore)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Depreciation on Property Plant & Equipment (PPE)		
Freehold Building	5.39	5.40
Plant & Machinery	0.80	0.80
Furniture & Fixtures	0.16	0.17
Motor Vehicle	0.12	0.10
Office Equipment	0.11	0.13
Computers, data processing units & communication equipment	0.25	0.25
Electrical Installations & Equipment	0.37	0.27
Leasehold Land	0.20	0.21
Leasehold Building	3.37	3.60
Roads, culverts & sewerage etc (Leasehold)	0.11	0.19
Plant & Machinery (Leasehold)	0.34	0.35
Others (specify nature)	0.07	0.07
Sub Total	11.29	11.54
Depreciation on investment property :		
Freehold Building	0.09	0.08
Leasehold Land	0.63	0.63
Leasehold Building	4.10	4.10
Sub Total	4.82	4.81
Amortisation on intangible Assets		
Computer software	0.03	0.01
Others	-	-
Sub Total	0.03	0.01
Impairment		
Impairment on PPE (Freehold building)	0.55	0.35
Impairment on IP (Freehold building)	0.02	-
Sub Total	0.57	0.35
Total	16.71	16.71



CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

33 Other Expenses

(Amount in ₹ Crore)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
(a) Other Operating Expenses		
L/C Negotiation & Bank Charges	0.85	0.95
Godown, Plot, Tank Rent	1.42	1.71
Claims Paid	-	-
Commission on Sales	-	-
Delivery charges	0.36	0.36
Cost of Tender	0.04	0.10
Others	0.04	-
Sub total	2.71	3.12
(b) Administration expenses		
Office Rent	2.57	3.04
Rates and Taxes:	-	-
- Property Tax to Municipal Corporation	2.40	1.71
- Wealth Tax	-	-
- Others	0.04	0.04
Electricity and Water Charges	2.54	2.57
Printing and Stationery	0.29	0.49
Postage, Telegram, Teleprinter & Telex	0.11	0.14
Telephones	0.74	1.08
Books and Yearicals	0.01	0.02
Repairs	-	-
- Building	-	0.06
- Plant and Machinery	-	-
- Others	0.26	0.31
Travelling Expenses	0.91	1.82
Housing Colony Expenses	2.36	2.59
Service Vehicle Expenses	0.30	0.80
Insurance Premium	0.15	0.14
Auditors' Remuneration	-	-
- Statutory Audit Fees	0.15	0.17
- Tax Audit Fees	0.07	0.08
- Certification fees	0.03	0.03
- Other charges - TA/DA etc.	-	-

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
HRD Expenses	0.04	0.23
Information Technology Expenses	0.17	0.17
Information Technology Expenses (Prior Year)	-	-
Conveyance Expenses	0.03	0.08
Maintenance of Office Building	1.06	1.03
Misc. Office expenses	3.65	4.01
Misc. Office expenses (Prior Year)	-	-
Goods & Service Tax (GST) not to be set off	0.10	-
Sub total	17.98	20.61
(c) Trade Expenses		
Legal & Professional Expenses	4.53	7.50
Legal & Professional Expenses (Prior Year)	-	0.06
Advertisement & Publicity	0.15	0.55
Exchange Fluctuations other than commodity items	0.07	0.07
Bank Charges	1.19	0.75
Entertainment expenses	0.17	0.33
Hospitality and Public Relations	0.01	0.09
Corporate Social Responsibility & Sustainable Development	-	-
Other Trade Expenses	0.23	1.26
Sub total	6.35	10.61
(d) Amortization Expenses		
Amortisation expenses of Deferred employee advances	0.21	0.21
Amortisation expenses of Deferred Security deposit	0.82	0.55
Sub total	1.03	0.76
Total	28.07	35.10

34 Exceptional items

(Amount in ₹ Crore)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
(a) Expenses		
Loss on sale of Property, Plant & Equipment (PPE)	0.01	0.02
Loss on sale of Investment	-	-
Impact of legislative change with retrospective application	-	-
Litigation settlement	-	45.42
Loss of assets due to floods	-	0.06
Interest on Custom Duty	0.18	0.18
Interest on Grant received under ASIDE Scheme	0.05	0.05
Total (a)	0.24	45.73

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CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(Amount in ₹ Crore)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
(b) Write Offs		
Trade Receivables	-	0.50
Claims	-	0.01
Loans and Advances	-	0.20
Deposits	0.16	-
Assets	0.11	0.10
Investments	-	-
Total (b)	0.27	0.81
(c) Provision for Doubtful debts, Loans and advances & Investment		
Trade Receivables	6.42	195.71
Claims	9.43	4.73
Loans and Advances	-	-
Deposits	-	0.37
Investment	-	-
Total (c)	15.85	200.81
(d) Income		
Profit on Sale of PPE	0.08	0.80
Profit on sale of Investment	-	-
Liabilities Created in previous years written back:	-	-
- Statutory	-	-
- Others	3.82	67.75
Provision Written back for doubtful amounts realized:	-	-
-Trade Receivables	41.55	1.20
-Claims	0.06	27.16
-Loans and Advances	0.25	-
-Deposits	-	0.30
Provision Written back for doubtful amounts written off:	-	-
-Trade Receivables	-	0.42
-Claims	-	0.01
-Loans and Advances	-	-
-Deposits	-	-
-Assets	-	-
-Investments	-	-
Claim Income Received	-	0.10
Prior Year Items	-	-
Write back of unclaimed credit balances	0.38	5.56
Total (d)	46.14	103.30
Total (a+b+c-d)	(29.78)	144.05

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

35. Tax Expense

Tax recognised in Statement of profit and loss

(Amount in ₹ Crore)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Current income tax		
Current year	3.43	15.44
Adjustments for prior years	(8.70)	1.41
Sub Total (A)	(5.27)	16.85
Deferred tax expense		
Origination and reversal of temporary differences	-	-
Changes in tax rate	-	-
Change in accounting policy	-	-
Sub Total (B)	-	-
Total (A+B)	(5.27)	16.85
A. Tax recognised in other comprehensive income		
Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Defined benefit plan actuarial gains (losses)	1.67	1.16
Total	1.67	1.16
B. Reconciliation of effective tax rates		
Particulars	As at March 31, 2018	Year Ended March 31, 2017
Profit before tax	(624.63)	(711.67)
Tax using the company's domestic tax rate @ 34.608% & 25.75% in case of STCL	(157.99)	(196.53)
Prior period income adjustments	-	(0.71)
Tax Effect of :	-	-
Permanent Differences	(2.94)	(7.62)
Unrecognised deferred tax assets/(Liabilities)	164.36	
Tax Expenses for the year	3.43	15.44
B. Tax Losses Carried forward		
Particulars	As at March 31, 2018	Balance Period
Unused Tax Losses for which no deferred Tax Assets have been recognized :		
Business Loss carried forward for F.Y. 2012-13	9.61	3 Years
Business Loss carried forward for F.Y. 2013-14	18.95	4 Years
Business Loss carried forward for F.Y. 2014-15	1.20	5 Years
Business Loss carried forward for F.Y. 2015-16	0.62	6 Years
Business Loss carried forward for F.Y. 2016-17	1.29	7 Years
Business Loss carried forward for F.Y. 2017-18	1.38	8 Years
Unabsorbed Depreciation	11.62	No Limit
Total	44.67	

C. As per Finance Act 2018, the Government has levied health & education cess of 4% on applicable income Tax (30%) & Surcharge (12%) w.e.f. A.Y. 2019-20. Hence Deferred Tax as on 31.03.2018 is calculated @ 34.944% with respect to Holding Company.



CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

DISCLOSURE REQUIREMENTS OF INDIAN ACCOUNTING STANDARDS

36 First Time adoption of Ind-AS

Transition from IGAAP to Ind AS

These financial statements, for the year ended March 31, 2018, are first financial statements prepared by company in accordance with Ind AS. For years upto and including the year ended March 31, 2017, the company prepared its financial statements in accordance with IGAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

Accordingly, the company has prepared Ind AS compliant financial statements for year ending on March 31, 2018. In preparing these financial statements, the company has prepared opening Ind AS balance sheet as at 1st April, 2016 the company's date of transition to Ind-AS in accordance with requirement of Ind AS 101, "First time Adoption of Indian Accounting Standards". The principal adjustments made by the company in restating its IGAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017 are quantified and explained in the Ind-AS reconciliation statement (36.1 to 36.7). However the basic approach adopted is summarized hereunder:

- i) All assets and liabilities have been classified into financial assets/liabilities and non-financial assets/liabilities.
- ii) All non-current financial assets/liabilities at below market rate of interest or zero interest and outstanding as on 1st April, 2016 have been measured at fair value.
- iii) In accordance with Ind AS 101, the resulting adjustments are considered as arising from events and transactions entered before date of transition and recognized directly in the retained earnings at the date of transition to Ind AS.
- iv) The estimates as at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with IGAAP (after adjustments to reflect any differences in accounting policies).
- v) Ind AS 101 also allows first time adopter certain exemptions from the retrospective application of certain requirements under Ind AS. Accordingly, the company has availed the following exemptions/mandatory exceptions as per Ind AS 101:

Exemptions :

a) Deemed Cost for Property, Plant & Equipment and Intangible Assets:

The company has availed exemption under para D7AA of appendix D to Ind AS 101 which permits a first time adopter to continue with the carrying values for its PPE as at date of transition to Ind ASs measured as per previous GAAP.

b) Investment in subsidiary, joint ventures and associates:

The company has elected to apply previous GAAP carrying amount of its investment in Subsidiaries, Associate, Joint venture as deemed cost as on the date of transition to Ind AS.

c) Fair value measurement of financial assets and liabilities at initial recognition:

The Company has financial receivables and payables that are non-derivative financial instruments. Under previous GAAP, these were carried at transactions cost less allowances for impairment, if any. Under Ind AS, these financial assets and liabilities are initially recognized at fair value and subsequently measured at amortized cost, less allowance for impairment, if any. For transactions entered into on or after the date of transition to Ind AS, the requirement of initial recognition at fair value is applied prospectively.

Exceptions:

a) Classification & measurement of financial assets:

The company has applied para B8C of Appendix B the fair value of financial assets and financial liability at the date of transition to Ind AS assumed to be the new gross carrying amount of the that financial assets or the new amortized cost of that liability at the date of transition to Ind AS.

b) Impairment of financial assets:

The company has availed exception under para B8D of appendix B which permits the first time adopter to apply the impairment requirement of Ind AS 109 prospectively.

36.1 Reconciliation of Equity as at April 1, 2016

(Amount in ₹ Crore)

	Particulars	Note	Indian GAAP	Adjustments	Ind AS
I	ASSETS				
1	Non current assets				
	(a) Property, Plant and Equipment	4	949.86	(310.01)	639.85
	(b) Capital work-in-progress	5	0.48	-	0.48
	(c) Investment property	6	0.02	309.17	309.19
	(d) Other Intangible assets	7	0.03	-	0.03
	(e) Financial Assets		-	-	-
	(i) Investments	8	0.01	-	0.01
	(ii) Trade Receivables	9	1,068.82	-	1,068.82
	(iii) Loans	10	18.76	(2.62)	16.14
	(iii) Other Financial Assets	11	23.95	-	23.95
	(f) Deferred tax assets (net)	12	73.01	4.82	77.83
	(g) Tax assets (net)	13	-	-	-
	(h) Other non current assets	14	9.44	2.62	12.06
	Sub Total		2,144.38	3.98	2,148.36
2	Current assets				
	(a) Inventories	15	0.42	-	0.42
	(b) Financial Assets		-	-	-
	(i) Current investments	8	-	-	-
	(ii) Trade receivables	9	2,639.26	-	2,639.26
	(iii) Cash and cash equivalents	16	8.96	(0.01)	8.95
	(iv) Bank Balances other (iii) above	17	1.12	-	1.12
	(v) Loans	10	3.14	(0.31)	2.83
	(vi) Other Financial Assets	11	14.61	0.64	15.25
	(c) Tax Assets (net)	13	37.78	(4.82)	32.96
	(d) Other current assets	14	8.04	0.32	8.35
	Sub Total		2,713.33	(4.18)	2,709.15
	Total		4,857.71	(0.20)	4,857.51
I.	EQUITY AND LIABILITIES				
	Equity				
	(a) Equity Share capital	18	60.00	-	60.00
	(b) Other Equity	19	(2,349.18)	(0.11)	(2,349.29)
	Sub Total		(2,289.18)	(0.11)	(2,289.29)
	Liabilities				
	Non- current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	20	-	-	-
	(ii) Trade Payables	21	1,015.33	-	1,015.33
	(iii) Other financial liabilities	22	47.64	-	47.64

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(Amount in ₹ Crore)

	Particulars	Note	Indian GAAP	Adjustments	Ind AS
	(b) Provisions	23	104.02	-	104.02
	(c) Deferred tax liabilities (Net)	12	-	-	-
	(d) Tax liabilities (Net)	13	-	-	-
	(e) Other non-current liabilities	24	6.41	(2.29)	4.12
	Sub Total		1,173.40	(2.29)	1,171.11
2	Current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	20	2,800.96	0.01	2,800.97
	(ii) Trade Payables	21	648.80	(1.03)	647.77
	(iii) Other financial liabilities	22	2,463.46	0.32	2,463.78
	(b) Provisions	23	16.40	(0.46)	15.94
	(c) Tax liabilities (Net)	13	-	-	-
	(d) Other current liabilities	24	43.88	3.35	47.23
	Sub Total		5,973.50	2.19	5,975.69
	Total		4,857.71	(0.21)	4,857.51

36.2 Reconciliation of Equity as at March 31, 2017

(Amount in ₹ Crore)

	Particulars	Note	Indian GAAP	Adjustments	Ind AS
I	ASSETS				
1	Non current assets				
	(a) Property, Plant and Equipment	4	935.30	(314.30)	621.00
	(b) Capital work-in-progress	5	0.98	-	0.98
	(c) Investment property	6	0.02	313.00	313.02
	(d) Other Intangible assets	7	0.02	-	0.02
	(e) Financial Assets		-	-	-
	(i) Investments	8	0.01	-	0.01
	(ii) Trade Receivables	9	980.63	-	980.63
	(iii) Loans	10	13.98	(2.54)	11.44
	(iii) Other Financial Assets	11	20.71	-	20.71
	(f) Deferred tax assets (net)	12	73.01	4.01	77.02
	(g) Tax assets (net)	13	-	-	-
	(h) Other non current assets	14	11.34	2.54	13.88
	Sub Total		2,036.00	2.71	2,038.71
	Current assets				
	(a) Inventories	15	39.71	-	39.71
	(b) Financial Assets		-	-	-
	(i) Current investments	8	-	-	-
	(ii) Trade receivables	9	2,112.60	-	2,112.60
	(iii) Cash and cash equivalents	16	7.27	-	7.27
	(iv) Bank Balances other (iii) above	17	2.34	-	2.34

(Amount in ₹ Crore)

	Particulars	Note	Indian GAAP	Adjustments	Ind AS
	(v) Loans	10	4.31	(0.28)	4.03
	(vi) Other Financial Assets	11	29.65	0.15	29.80
	(c) Tax Assets (net)	13	23.97	(4.01)	19.96
	(d) Other current assets	14	34.88	0.28	35.16
	Sub Total		2,254.73	(3.86)	2,250.87
	Total		4,290.73	(1.15)	4,289.58
I.	EQUITY AND LIABILITIES				
	Equity				
	(a) Equity Share capital	18	60.00	-	60.00
	(b) Other Equity	19	(3,077.38)	1.71	(3,075.67)
	Sub Total		(3,017.38)	1.71	(3,015.67)
	Liabilities				
	Non- current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	20	146.28	-	146.28
	(ii) Trade Payables	21	992.64	-	992.64
	(iii) Other financial liabilities	22	51.61	(2.04)	49.57
	(b) Provisions	23	108.42	-	108.42
	(c) Deferred tax liabilities (Net)	12	-	-	-
	(d) Tax liabilities (Net)	13	-	-	-
	(e) Other non-current liabilities	24	4.25	(0.80)	3.45
	Sub Total		1,303.20	(2.84)	1,300.36
2	Current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	20	2,686.09	-	2,686.09
	(ii) Trade Payables	21	175.17	0.04	175.21
	(iii) Other financial liabilities	22	3,017.35	0.09	3,017.44
	(b) Provisions	23	20.58	(0.38)	20.20
	(c) Tax liabilities (Net)	13	-	-	-
	(d) Other current liabilities	24	105.72	0.23	105.95
	Sub Total		6,004.91	(0.02)	6,004.89
	Total		4,290.73	(1.15)	4,289.58

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36.3 Reconciliation of total comprehensive income for the year ended March 31, 2017

(Amount in ₹ Crore)

	Particulars	Note No.	Year Ended March 31, 2017	Adjustments	Ind AS
	Income				
i)	Revenue From Operations	25	7,814.49	-	7,814.49
ii)	Other Income	26	272.14	1.17	273.31
	Total Income (I)		8,086.63	1.17	8,087.80
	Expenses				
i)	Cost of material consumed	27	0.04	-	0.04
ii)	Purchase of Stock in Trade	28	7,815.55	-	7,815.55
iii)	Change in inventory	29	(39.25)	-	(39.25)
iv)	Employees' Benefit Expenses	30	104.78	3.61	108.39
v)	Finance Cost	31	718.52	0.35	718.87
vi)	Depreciation & Amortization Expenses	32	16.40	0.30	16.71
vii)	Other Expenses	33	34.62	0.48	35.10
	Total expenses (II)		8,650.66	4.74	8,655.41
	Profit/(loss) before exceptional items and tax (I-II)		(564.03)	(3.57)	(567.61)
	Exceptional Items (Income)/Expenditure	34	144.15	(0.10)	144.05
	Prior Periods -(Income)/Expenditure	34	2.14	(2.14)	-
	Profit Before Tax		(710.32)	(1.33)	(711.66)
	Tax expense	35			
	(i) Current tax		18.01	(1.15)	16.85
	(ii) Deferred tax				
	Profit/(loss) for the period from continuing operations		(728.33)	(0.18)	(728.51)
	Profit/(loss) from discontinued operations		-	-	-
	Tax expense of discontinued operations		-	-	-
	Profit/(loss) from discontinued operations after tax		-	-	-
I	Profit/(loss) for the Year (A)		(728.33)	(0.18)	(728.51)
II	Other Comprehensive Income				
i)	Items that will not be reclassified to profit or loss				
	- Remeasurements of the defined benefit plans		-	3.29	3.29
	- Income Tax on above		-	(1.16)	(1.16)
ii)	Items that will be reclassified to profit or loss		-	-	-
	Other Comprehensive Income net of Tax (B)		-	2.13	2.13
	Total Comprehensive Income for the period (A+B)		(728.33)	1.95	(726.38)

36.4 Reconciliation of total Equity as at March 31, 2017 and April 1, 2016

(Amount in ₹ Crore)

Particulars	Year Ended March 31, 2017	April 1, 2016
Total Equity (Shareholders fund as per previous GAAP)	(3,013.24)	(2,284.90)
Adjustments:	-	-
Remeasurement of Actuarial valuation Defined Benefit Plans	(0.10)	0.68
Reversal of Revaluation Reserve	(0.03)	-
Impairment Loss Recognised	(0.13)	-
Prior Period error	(0.67)	(3.19)
Reclassification of Deferred Income	0.14	(1.81)
Equity Instrument through Other Comprehensive Income	(0.04)	(0.02)
Adjustments on transition date	(1.39)	-
Depreciation	(0.21)	(0.05)
Total Adjustments	(2.43)	(4.39)
Total Equity as per Ind AS	(3,015.67)	(2,289.29)

In case of subsidiary company total equity (as per Indian GAAP is before regrouping).

36.5 Reconciliation of total comprehensive income for the year ended March 31, 2017

(Amount in ₹ Crore)

Particulars	Year Ended March 31, 2017
Profit after tax as per previous GAAP	(728.33)
Adjustments	
Impairment of Property, Plant & equipment	(0.14)
Changes in estimates of Employee benefit plans	(0.10)
Actuarial Loss/(gain) on defined plans recognised in other comprehensive income	(3.34)
Effect of prior period item -expense/(Income)	2.27
Effect on Depreciation & Amortization expenses	(0.16)
Amortization of Grant Received	0.14
Tax expense impact	1.15
Total Adjustments	(0.18)
Profit (after Tax) for the period under Ind AS	(728.51)
Other comprehensive income (net of tax) (actuarial Loss/gain on defined benefit plans)	2.13
Total comprehensive income under Ind AS	(726.38)

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Impact on Cash flow statement on adoption of Ind AS

(Amount in ₹ Crore)

Particulars	Note No.	Year Ended March 31, 2017	Adjustments	Ind AS
Net cash flow from operating activities		67.65	3.64	71.29
Net cash flow from Investing activities		32.71	0.27	32.98
Net cash flow from financing activities		(101.75)	(4.20)	(105.95)
Net Increase/(Decrease) in cash and cash equivalent		(1.39)	(0.29)	(1.68)
Cash and cash equivalent as on April 1, 2016		8.72	0.23	8.95
Cash and cash equivalent as on March 31, 2017		7.33	(0.06)	7.27

36.6 Derivative Financial Instruments

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Assets	-	-
Liabilities	-	-
Bifurcation above derivative instruments in current and non-current	-	-

36.7 Foreign Currency Exposure

Particulars	For the year ended March 31, 2018		
	Foreign Currency	Amount in Foreign Currency	Amount in Indian Rupees
ETA Dubai - Receivable	USD	0.01	0.44
Various Foreign Supplier- Receivable	USD	0.02	1.54
Gargill International -Receivable	USD	0.02	1.28
GASC, Egypt- Receivable	USD	0.06	3.91
Various Foreign Supplier- Payable	USD	0.20	12.81
Demurrage Payable (ADM- Asia)	USD	0.03	1.78
Helm Dunemittel- Payable	USD	0.01	0.47
Helm Dunemittel- Receivable	USD	0.02	1.22
Yashita Exports, Red Sanders, Export EMD -Payable	USD	0.00	0.20
Yashita Exports, Red Sanders, Export PBG -Payable	USD	0.01	0.52
M/S IGEDC, Iran, Export of Steel Plates - Receivable	EURO	0.12	9.30
Malayan Bank (Millennium Wires), Import of Copper Roads - Payable	USD	0.17	11.38
Import Payables	USD	0.00	0.31
Amount payable to foreign supplier	USD	0.19	12.34
Mumbai	USD	31.38	1392.85
Mumbai	EURO	0.09	5.17
Total		32.33	1455.52

Particulars	For the year ended March 31, 2017		
	Foreign Currency	Amount in Foreign Currency	Amount in Indian Rupees
ETA Dubai - Receivable	USD	0.01	0.44
Various Foreign Supplier- Receivable	USD	0.02	1.54
Gargill International -Receivable	USD	0.02	1.28
GASC, Egypt- Receivable	USD	0.15	9.95
Various Foreign Supplier- Payable	USD	0.20	12.76
Helm Dunemittel- Payable	USD	0.01	0.47
Helm Dunemittel- Receivable	USD	0.02	1.21
Boeing- Receivable	USD	0.00	0.16
Cela Sri- Payable	EURO	0.01	0.65
Shimadzu- Payable	USD	0.01	0.61
Thermo Fisher Scintific GMBH- Payable	EURO	0.01	0.69
Yashita Exports, Red Sanders, Export EMD	USD	0.00	0.20
Yashita Exports, Red Sanders, Export PBG	USD	0.01	0.52
M/S IGEDC, Iran, Export of Steel Plates	EURO	0.12	7.98
Malayan Bank (Millennium Wires), Import of Copper Roads	USD	0.16	10.65
Weapons-Payable	USD	0.00	0.21
Weapons-Payable	EURO	0.03	2.13
Glock Plc, USA (Ex.Rate is taken at Rs.64.97/USD as at 31.03.2017)	USD	0.00	0.02
Amount payable to foreign supplier	USD	0.19	12.28
Mumbai	USD	31.38	1392.85
Mumbai	EURO	0.09	5.17
Total		32.44	1461.77

Particulars	For the year ended March 31, 2016		
	Foreign Currency	Amount in Foreign Currency	Indian Rupees
ETA Dubai - Receivable	USD	0.01	0.45
Various Foreign Supplier- Receivable	USD	0.02	1.57
Gargill International -Receivable	USD	0.02	1.30
Various Foreign Supplier- Payable	USD	0.20	13.12
Helm Dunemittel- Payable	USD	0.01	0.49
Helm Dunemittel- Receivable	USD	0.02	1.23

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Particulars	For the year ended March 31, 2016		
	Foreign Currency	Amount in Foreign Currency	Amount in Indian Rupees
Leica- Payable	EURO	0.01	0.39
Kassbohrer- Payable	EURO	0.00	0.27
Lafayette - payable	USD	0.00	0.15
Yashita Exports	USD	0.00	0.20
Yuyao Shenghao International	USD	0.00	0.13
Yashita Exports	USD	0.02	1.09
Yuyao Shenghao International	USD	0.01	0.83
Zhongshan Guzhen	USD	0.01	0.88
Yashita Exports	USD	0.08	5.29
Yuyao Shenghao International	USD	0.06	3.97
Zhongshan Guzhen	USD	0.10	6.87
UST Labinsky	USD	0.00	0.08
Import Payables	USD	0.03	2.22
Saraiwalla Agrr Refineries Ltd	USD	0.34	22.92
M/s.Aggarwal Industries Ltd	USD	0.13	8.48
M/s.Aggarwal Industries Ltd	USD	0.07	4.38
Amount payable to foreign supplier	USD	0.19	12.64
Total		1.34	89.66

37 Trade Payables

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as under :

(Amount in ₹ Crore)

Particulars	2017-18	2016-17	April 1, 2016
Principal amount due to suppliers under MSMED Act, 2006	-	0.02	0.02
Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid	-	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during year	-	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-	-
Interest accrued and remaining unpaid at the end of each of the year to suppliers under MSMED Act	-	-	-

The information has been given in respect of such vendors to the extent they could be identified as micro, small and Medium enterprises on the basis of information available with the Company.

38 Disclosure in respect of Indian Accounting Standard (Ind AS)-37 "Provisions, Contingent Liabilities and Contingent Assets

(i) Provisions

(Amount in ₹ Crore)

Particulars	Opening balance as on 01.04.17	Additions/ Transfers during the year	Utilization during the year	Adjustment during the year	Written-back during the year	Closing balance as on 31.03.18
Business Associate 1	-	1.78	-	-	-	1.78
Business Associate 2	8.66	0.72	-	-	-	9.38
Business Associate 3	0.11	-	-	-	-	0.11
Total	8.77	2.50	-	-	-	11.27

Particulars	Opening balance as on 01.04.16	Additions/ Transfers during the year	Utilization during the year	Adjustment during the year	Written-back during the year	Closing balance as on 31.03.17
Business Associate 2	5.56	3.10	-	-	-	8.66
Business Associate 3	0.11	-	-	-	-	0.11
Business Associate 4	0.08	-	-	(0.08)	-	-
Total	5.75	3.10	-	(0.08)	-	8.77

Business Associate 1:

Provision for contingencies include Rs. 1.78 crore (Rs. Nil). As part provisions for contingencies being made in respect of demurrage payable to one of the business associate as a matter of prudence. However, matter is subjudice with Hon'ble Delhi High Court.

Business Associate 2:

Short term provision for contingencies includes Rs. 9.38 crore (Rs. 8.66 crore) in respect of contract entered into by the company for import of goods on behalf of the associates. The documents tendered by the supplier were forged and fabricated. The company initiated legal proceedings against the associate u/s 138 of NI Act for recovery of dues. However as a matter of abundance prudence, a provision for contingencies has been made in the books of account.

(ii) Contingent Liabilities:

(Amount in ₹ Crore)

Particulars	31.03.2018	31.03.2017	April 1, 2016
Claims against the company not acknowledged as debt	2,298.04	2,278.76	3,436.21
Guarantees excluding Financial Guarantee	0.10	14.94	18.30
Other money for which the company is contingently liable	8.66	8.73	8.46
Others, details required	857.02	821.48	1,349.16
Total	3,163.82	3,123.91	4,812.13

- 38.1 The above claims/Demand are at various stages of appeal and in the opinion of the company are not tenable. Further, in some of the cases amounts included under Contingent liabilities related to commodities handled on govt. of india Account and liabilities, if any would be recoverable from Govt. of India.
- 38.2 Contingent liability is not updated by determining and including of interest by Mumbai Branch. Certain supporting documents of contingent liability were not available at Mumbai Branch of Holding Company.
- 38.3 Contingent liabilities include an amount of ₹83.32 crore (₹74.92 crore) along with interest payable to a foreign supplier on account of import of Urea in earlier years. In this case, arbitration award has been passed in favour of foreign supplier. The Holding company has filed an appeal against the arbitration award in the Hon'ble Delhi High Court and Company deposited ₹33.05 crore with court as per direction of Delhi High Court. Court proceedings are completed and Court judgement is reserved. The transaction was undertaken on behalf of Deptt. of Fertilizer. (DOF), and is being regularly followed up. Hence, no provision is considered necessary.



- 38.4 Contingent liabilities include an amount of ₹90.73 crore (₹88.01 crore) along with interest payable to a foreign supplier on account of import of pulses in earlier years as per award of arbitral tribunal passed in favour of foreign supplier. The Holding company has filed an appeal against the Tribunal award in the Hon'ble Delhi High Court. This transaction was undertaken on behalf of Ministry of Consumer Affairs (MOCA), hence the corresponding claim is made with MOCA, which is being regularly followed -up.
- 38.5 ₹12.68 crore [excluding interest] due from M/s. Devi Mineral Resources [I] Pvt. Ltd., is a group company of Devi Trading and Subsidiary Company has initiated various legal steps for recovery of dues. In order to counter the legitimate claim of Subsidiary Company, Devi Trading has raised the counter claim of USD 28,80,000 against Subsidiary Company with ulterior motive which is false and baseless. However the Subsidiary company has disclosed sum of USD 28,80,000 as contingent liability.
- 38.6 Subsidiary Company was defrauded by M/s. Future Exim (India) Pvt. Ltd. & M/s. Future Metals Pvt. Ltd., in the third country merchanting trade and Subsidiary Company had initiated legal steps for recovery of dues as one of the legal recourses. Subsidiary Company has also initiated arbitration against M/s. FEIPL & M/s. FMPL. Sino Asia is one of group company of M/s. FEIPL & M/s. FMPL raised a wrong claim for sum USD 16,80,00,000 with ulterior motive to counter the legitimate claim of Subsidiary Company against M/s. FEIPL & M/s. FMPL even though all the legal steps have initiated to counter the claim. However the Subsidiary company has disclosed sum of USD 16,80,00,000 as contingent liability.
- 38.7 The APMC, Bangalore has filed a suit in May 2011 against the Subsidiary Company for recovery of Market Fee/Penalty totalling an amount of ₹1.14 crore. The transaction was carried out in the year 2001-02. The Market Fee was already paid by the Subsidiary Company to Food Corporation of India, Bangalore while obtaining Release/Delivery Order for 80,000 MTs of Maize through Tender Process. Accordingly the Subsidiary Company has filed its objections to the petition and the legal proceedings are in progress. The claims of APMC has been shown under contingent liabilities.
- 38.8 Subsidiary Company had awarded the Civil construction work to M/s Carmel Builders Fibro tech India Pvt Ltd, in respect of Pepper processing unit at Siddapura in Coorg Dist. of Karnataka in Aug 2008. The Subsidiary Company terminated the contract in July 2009 on account of poor progress of work. The contractor has disputed the same and made a demand of ₹0.80 crore towards the work done. The Arbitration was completed and awarded Subsidiary Company to pay a sum ₹0.49 crore to M/s Carmel Builders. Subsidiary Company has challenged the Arbitral award in the court. The Balance amount of ₹0.67 crore (₹0.80 crore less ₹0.13 crore shown under payable to contractor) is shown under contingent liability.
- 38.9 M/s. Excel Cardamom Company had filed a petition in the year 1992 on the Subsidiary Company in Delhi High Court against the forfeiture of EMD amount of ₹0.10 crore by the Subsidiary Company in respect of cloves transactions. In the year 2007, the High Court having adjudicated the matter, passed a decree that Subsidiary Company was entitled to forfeit only ₹0.01 crore being its share of profit and has to refund the balance amount of ₹0.09 crore along with interest. Subsidiary Company had filed an Appeal with the Divisional Bench which stayed the execution of the said decree subject to Subsidiary Company depositing a sum of ₹0.06 crore and BG of ₹0.10 crore in favour of Delhi High Court, which was complied with. The Divisional Bench has passed an order in March-2008 against the company as per which Subsidiary Company has to pay ₹0.10 crore to Excel Cardamom Co. along with interest of 9% p.a. from June 1989. The order also stated that BG of ₹0.10 crore be encashed and along with the Deposit of ₹0.06 crore the balance amount Excel Cardamom can file an execution petition. The Subsidiary Company has filed a SLP in Supreme Court against the Order of Delhi High Court. However, the Subsidiary Company has disclosed the liability of ₹0.35 crore under Contingent Liability.
- 38.10 The Subsidiary Company has made provision for payment of interest as per the claims made by the consortium of banks in the DRT application upto 20.07.2011 and further interest are provided at the rates mentioned in the DRT application. IDBI Bank claimed an amount of ₹62.00 crore towards penal interest/liquidated damages as per the balance confirmation certificate as on 31.03.2012. However, the Subsidiary Company has disclosed the liability of ₹62.00 crore under contingent liability.
- 38.11 The Subsidiary Company has made provision for payment of interest as per the claims made by the consortium of banks in the DRT application upto 20.07.2011 and further interest are provided at the rates mentioned in the DRT application. Union Bank of India claimed an amount of ₹9.60 crore towards excess interest as per the balance confirmation certificate as on 31.03.2015. However, the Subsidiary Company has disclosed the liability of ₹9.60 crore under contingent liability.
- 38.12 The Subsidiary Company has made provision for payment of interest as per the claims made by the consortium of banks in the DRT application upto 20.07.2011 and further interest are provided at the rates mentioned in the DRT application. State Bank of India claimed an amount of ₹94.23 crore towards excess interest as per the balance confirmation certificate as on 31.03.2016. However, the Subsidiary Company has disclosed the liability of ₹94.23 crore under contingent liability.

38.13 The Subsidiary Company had obtained a legal opinion which stated that fee collected for issuance of NOC for export of onion does not fall within the definition of ambit of Service Tax and hence, service tax is not applicable. Based on the legal opinion, the Subsidiary Company had not collected/paid service tax on said transaction.

The Subsidiary Company had received a Show-cause Notice from the Service Tax Department in October 2011 for non payment of Service Tax of ₹1.43 crore for the year 2006-07 to 2010-11 (excluding interest and penalty) and the Subsidiary Company filed an Appeal against the said Notice which was held against it as per the Order dtd.. 13.12.2012 of the Commissioner (Adjudication) and demanded a payment of ₹1.43 crore as Service Tax and imposing an equivalent amount of ₹1.43 crore as penalty. The Subsidiary Company has filed an Appeal against the above Order with the Service Tax Appellate Tribunal (CESTAT) on 19.03.2013 as per the legal advice obtained. The CESTAT impugned order is set aside and the matter is remanded to the original adjudicating authority. The Subsidiary Company has disclosed sum of ₹4.23 crore as contingent liability towards service tax for the period from 1.4.06 to 31.03.2014 including the penalties of ₹1.43 crore.

38.14 In respect of Assessment year 2010-11, notice has been received u/s 220(2) dtd. 26.02.2016 for payment of ₹2.12 crore as interest against the default. The Subsidiary Company had filed an application u/s 220(2)(a) on 22.06.2016, requesting to drop the interest amount claimed. However the Subsidiary Company has disclosed the liability of ₹2.12 crore under Contingent Liability.

Subsequent to filing of arbitration petition by M/s Shiva shanker Minerals Pvt. Ltd. against Subsidiary Company and on completion of arbitration process and being awarded ₹3.37 crore including legal fees of ₹0.26 crore along with interest at the rate of 12% till the realisation. Subsidiary Company has filed an appeal against the arbitration award which is pending before the City Civil Court, Bangalore. However the Subsidiary Company has disclosed the total liability of ₹6.06 crore along with interest of ₹2.69 crore till date.

38.15 The Income Tax Department has sent a notice of demand to pay ₹0.04 crore towards short payment of TDS and interest thereon. The Subsidiary Company has replied for rectification of demand.

38.16 The Enforcement Directorate has levied penalty of ₹10.00 crore for contravention of Sec.10(6) of Foreign Exchange Management Act, read with regulation 6(1) of Foreign Exchange management (realisation, repatriation and surrender of Foreign Exchange Regulation 2000. The Subsidiary Company has filed appeal to the appellate authority and expecting full relief from them.

(iii) Contingent Assets:

If it is probable that there will be inflow of the economic benefits, disclosure shall be made for contingent asset stating the brief description of the nature of the contingent asset. If possible, estimated financial effect shall also be disclosed.

(Amount in ₹ Crore)

Particulars	31.03.2018	31.03.2017	April 1, 2016
Claims	117.73	111.13	109.55
Counter Claims	-	-	-
Bills Receivable	-	-	-
Advances	273.59	282.79	357.23
Trade Receivables	1,591.37	1,351.08	1,127.29
Others, details required	377.67	311.78	191.31
Excess Interest Charged by Banks (Normal & Penal)	0.45	0.52	-
Total	2,360.81	2,057.30	1,785.38

39 Commitments

(Amount in ₹ Crore)

Particulars	31.03.2018	31.03.2017	April 1, 2016
Capital Commitments: (Details to be provided hereunder)			
PPE	7.29	15.79	14.99
Intangible Assets	0.29	-	-
Total	7.58	15.79	14.99
Other Commitments	0.92	-	-
Total	0.92	-	-



40 Disclosures in respect of Ind AS 107 - Financial Instruments

40.1 Financial Instruments by Categories

The carrying value and fair value of financial instruments by categories were as follows:

(a) As on March 31, 2018

(Amount in ₹ Crore)

Particulars	Amortized Cost	Financial Assets/ liabilities at FVTPL	Financial Assets/ liabilities at fair value through OCI	Total Carrying Value	Total Fair Value
Assets:					
Investments in Equity Instruments	0.01	-	-	0.01	0.01
Cash & Cash Equivalents	99.20	-	-	99.20	99.20
Bank Balance Other than (iii) above	2.53	-	-	2.53	2.53
Trade Receivable	3,185.55	-	-	3,185.55	3,185.55
Employee Loans	7.71	-	-	7.71	7.49
Security Deposits	6.98	-	-	6.98	6.98
Other Financial Assets	101.84	-	-	101.84	101.84
Liabilities:					
Trade Payable	1,209.75	-	-	1,209.75	1,209.69
Borrowings	2,954.84	-	-	2,954.84	2,954.84
Other Financial Liabilities	3,683.43	-	-	3,683.43	3,683.25

(b) As on March 31, 2017

(Amount in ₹ Crore)

Particulars	Amortized Cost	Financial Assets/ liabilities at FVTPL	Financial Assets/ liabilities at fair value through OCI	Total Carrying Value	Total Fair Value
Assets:					
Investments in Equity Instruments	0.01	-	-	0.01	0.01
Cash & Cash Equivalents	7.28	-	-	7.28	7.28
Bank Balance Other than (iii) above	2.34	-	-	2.34	2.34
Trade Receivable	3,093.23	-	-	3,093.23	3,093.23
Employee Loans	10.17	-	-	10.17	9.92
Security Deposits	5.14	-	-	5.14	5.14
Other Financial Assets	50.66	-	-	50.66	50.66
Liabilities:					
Trade Payable	1,167.86	-	-	1,167.86	1,167.86
Borrowings	2,904.03	-	-	2,904.03	2,904.03
Other Financial Liabilities	2,995.36	-	-	2,995.36	2,995.17

(c) As on April 01, 2016

(Amount in ₹ Crore)

Particulars	Amortized Cost	Financial assets/liabilities at FVTPL	Financial Assets/liabilities at fair value through OCI	Total Carrying Value	Total Fair Value
Assets:					
Investments in Equity Instruments	0.01	-	-	0.01	0.01
Cash & Cash Equivalents	8.95	-	-	8.95	8.95
Bank Balance Other than (iii) above	1.12	-	-	1.12	1.12
Trade Receivable	3,708.07	-	-	3,708.07	3,708.07
Employee Loans	11.23	-	-	11.23	11.00
Security Deposits	7.57	-	-	7.57	7.57
Other Financial Assets	39.38	-	-	39.38	39.38
Liabilities:					
Trade Payable	1,663.11	-	-	1,663.11	1,663.11
Borrowings	2,850.72	-	-	2,850.72	2,850.72
Other Financial Liabilities	2,461.67	-	-	2,461.67	2,460.96

The carrying amounts of trade receivables, cash and cash equivalents, borrowings (short term credit), trade payables are considered to be the same as their fair values, due to their short-term nature.

40.2 Fair Value Hierarchy

- Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active markets.
- Level 2 - Level 2 hierarchy includes financial instruments measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Level 3 hierarchy includes financial instruments measured using inputs that are not based on observable market data (unobservable inputs).

The following table present fair value hierarchy of assets and liabilities measured at fair value:

(a) As on March 31, 2018

(Amount in ₹ Crore)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Financial Assets						
Financial Investments at FVTPL	-	-	-	-	-	-
Investment in Equity Instruments	-	-	-	-	-	-
Investment in Equity Instruments	-	-	-	-	-	-
Others (specify nature)	-	-	-	-	-	-
Financial Investments at FVTOCI	-	-	-	-	-	-
Investment in unquoted Equity Instruments	-	-	-	-	-	-
Investment in unquoted Equity Instruments	-	-	-	-	-	-
Others (specify nature)	-	-	-	-	-	-
Derivatives designated as hedges	-	-	-	-	-	-

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(a) As on March 31, 2018

(Amount in ₹ Crore)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Foreign exchange forward contracts	-	-	-	-	-	-
Specify nature	-	-	-	-	-	-
Total	-	-	-	-	-	-
Financial liability	-	-	-	-	-	-
Derivatives designated as hedges	-	-	-	-	-	-
Foreign exchange forward contracts	-	-	-	-	-	-
Specify nature	-	-	-	-	-	-
Total	-	-	-	-	-	-

(b) As on March 31, 2017

(Amount in ₹ Crore)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Financial Assets						
Financial Investments at FVTPL	-	-	-	-	-	-
Investment in Equity Instruments	-	-	-	-	-	-
Investment in Equity Instruments	-	-	-	-	-	-
Others (specify nature)	-	-	-	-	-	-
Financial Investments at FVTOCI	-	-	-	-	-	-
Investment in unquoted Equity Instruments	-	-	-	-	-	-
Investment in unquoted Equity Instruments	-	-	-	-	-	-
Others (specify nature)	-	-	-	-	-	-
Derivatives designated as hedges	-	-	-	-	-	-
Foreign exchange forward contracts	-	-	-	-	-	-
Specify nature	-	-	-	-	-	-
Total	-	-	-	-	-	-
Financial liability						
Derivatives designated as hedges	-	-	-	-	-	-
Foreign exchange forward contracts	-	-	-	-	-	-
Specify nature	-	-	-	-	-	-
Total	-	-	-	-	-	-

(c) As on April 1, 2016

(Amount in ₹ Crore)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Financial Assets						
Financial Investments at FVTPL	-	-	-	-	-	-
Investment in Equity Instruments	-	-	-	-	-	-
Investment in Equity Instruments	-	-	-	-	-	-
Others (specify nature)	-	-	-	-	-	-
Financial Investments at FVTOCI	-	-	-	-	-	-
Investment in unquoted Equity Instruments	-	-	-	-	-	-
Investment in unquoted Equity Instruments	-	-	-	-	-	-
Others (specify nature)	-	-	-	-	-	-
Derivatives designated as hedges	-	-	-	-	-	-
Foreign exchange forward contracts	-	-	-	-	-	-
Specify nature	-	-	-	-	-	-
Total	-	-	-	-	-	-
Financial liability						
Derivatives designated as hedges	-	-	-	-	-	-
Foreign exchange forward contracts	-	-	-	-	-	-
Specify nature	-	-	-	-	-	-
Total	-	-	-	-	-	-

Assets and liabilities which are measured at amortized cost for which fair values are disclosed

(a) As on March 31, 2018

(Amount in ₹ Crore)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Financial assets						
Loans to employees	-	-	7.49	7.49	DCF	10.66
Security deposits	-	-	0.80	0.80	DCF	10.66
Others (specify nature)	-	-	-	-	-	-
Total financial assets	-	-	8.28	8.28	-	-
Financial Liabilities	-	-	-	-	-	-
Borrowings	-	-	1.43	1.43	DCF	10.66
Others (specify nature)	-	-	6.18	6.18	DCF	10.66
Total financial liabilities	-	-	7.61	7.61	-	-

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(b) As on March 31, 2017

(Amount in ₹ Crore)

Particular	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Financial assets						
Loans to employees	-	-	9.92	9.92	DCF	10.66
Security deposits	-	-	0.75	0.75	DCF	10.66
Others (specify nature)	-	-	-	-	-	-
Total financial assets	-	-	10.68	10.68		
Financial Liabilities	-	-	-	-	-	-
Borrowings	-	-	1.44	1.44	DCF	10.66
Others (specify nature)	-	-	5.83	5.83	DCF	10.66
Total financial liabilities	-	-	7.27	7.27	-	

(c) As on April 1, 2016

(Amount in ₹ Crore)

Particular	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Financial assets						
Loans to employees	-	-	11.00	11.00	DCF	10.66
Security deposits	-	-	0.41	0.41	DCF	10.66
Others (specify nature)	-	-	-	-		
Total financial assets	-	-	11.41	11.41		
Financial Liabilities	-	-	-	-		
Borrowings	-	-	1.53	1.53	DCF	10.66
Others (specify nature)	-	-	3.19	3.19	DCF	10.66
Total financial liabilities	-	-	4.72	4.72		

40.3 Fair value of financial assets and financial liabilities measured at amortized cost

(Amount in ₹ Crore)

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	Carrying Amount	Fair value	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial assets	-	-	-	-	-	-
Loans to employees	7.71	7.49	10.17	9.92	11.23	11.00
Security deposits	6.98	6.98	5.14	5.14	7.57	7.57
Others (specify nature)	-	-	-	-	-	-
Cash & Cash Equivalents	99.20	99.20	7.28	7.28	8.95	8.95
Bank Balance Other than (iii) above	2.53	2.53	2.34	2.34	1.12	1.12
Others Financial Assets	101.84	101.84	50.66	50.66	39.38	39.38
Investment in Equity Instrument	0.01	0.01	0.01	0.01	0.01	0.01
Loan	-	-	-	-	-	-
Trade Receivable	3,185.55	3,185.55	3,093.23	3,093.23	3,708.07	3,708.07
Total financial assets	3,403.82	3,403.60	3,168.83	3,168.58	3,776.33	3,776.10

(Amount in ₹ Crore)

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	Carrying Amount	Fair value	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial Liabilities	-	-	-	-	-	-
Trade Payable	1,209.75	1,209.75	1,167.86	1,167.86	1,663.11	1,663.11
Borrowings	2,954.84	2,954.84	2,904.03	2,904.03	2,850.72	2,850.72
Others Financial Liabilities	3,683.41	3,683.25	2,995.34	2,995.17	2,461.66	2,460.96
Total financial liabilities	7,848.00	7,847.84	7,067.23	7,067.06	6,975.49	6,974.79

with respect to Subsidiary company, the carrying amount of current financial instruments such as trade receivables, deposits, other assets, borrowings, cash and cash equivalents, earnest money deposit, interest accrued and due on borrowings, trade payable and other liabilities are considered to be the same as their fair values, due to their short-term nature. Subsidiary Company has used inputs that are not based on observable market data (unobservable inputs) to measure the fair value of above items.

40.4 Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk- Foreign Exchange	Future commercial transactions, Recognized financial assets and financial liabilities	Cash flow forecasting, sensitivity analysis	Company has no major foreign exchange risk, hence management is not required to take any measure
Market risk- Interest rate	Long term borrowings at variable rate of interest	Sensitivity analysis	Since company in the process of winding up. Management is not required to take any measure to avoid risk arising from interest rate.
Market risk- Security price fluctuation	Mutual fund Investments	Sensitivity analysis	
Credit risk	Cash and cash equivalent, trade receivables, security deposits, financial instruments.	Ageing analysis Credit rating	The Company has receivables where the counter- party's risk of default is very high. Majority of receivables are under the litigation and long outstanding. Therefore necessary allowances have been made.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Company is in the process of winding up. Company neither have the adequate cash and cash equivalent nor generating the inflows from the operations.

a) Market risk

i) Foreign Currency risk

The Company operates at international level which exposes the company to foreign currency risk arising from foreign currency transaction arising primarily from USD Foreign currency risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency other than INR as on reporting date.

(a) As on 31.03.2018

(Amount in ₹ Crore)

	US Dollars	EURO	Other Currencies	Total
Cash & cash equivalents				
Trade Receivable	1,401.93	9.30	-	1,411.23
Freight Demurrage/Despatch Receivable	1.98	-	-	1.98
Other Receivable	2.50	-	-	2.50

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(a) As on 31.03.2018

(Amount in ₹ Crore)

Particulars	US Dollars	EURO	Other Currencies	Total
Total Receivable in Foreign Currency	1,406.41	9.30	-	1,415.71
Foreign currency Loan Payable	-	-	-	-
Interest on foreign currency loan payable	-	-	-	-
Trade Payables	24.75	-	-	24.75
Freight Demurrage/despatch payable	14.59	-	-	14.59
Provision towards Litigation settlement	-	-	-	-
Others (if any)	0.47	-	-	0.47
Total payable in Foreign currency	39.81	-	-	39.81
Net Assets/(Liabilities)	1,366.60	9.30	-	1,375.90

(b) As on 31.03.2017

(Amount in ₹ Crore)

Particulars	US Dollars	EURO	Other Currencies	Total
Cash & cash equivalents	-	-	-	-
Trade Recivable	1,408.12	7.98	-	1,416.10
Freight Demurrage/Despatch Receivable	1.97	-	-	1.97
Other Receivable	2.49	-	-	2.49
Total Receivable in Foreign Currency	1,412.58	7.98	-	1,420.56
Foreign currency Loan Payable	-	-	-	-
Interest on foreign currency loan payable	-	-	-	-
Trade Payables	24.50	3.47	-	27.97
Freight Demurrage/despatch payable	12.76	-	-	12.76
Provision towards Litigation settlement	-	-	-	-
Others (if any)	0.47	-	-	0.47
Total payable in Foreign currency	37.73	3.47	-	41.20
Net Assets/(Liabilities)	1,374.85	4.51	-	1,379.36

(c) As on 01.04.2016

(Amount in ₹ Crore)

Particulars	US Dollars	Euro	Other Currencies	Total
Cash & cash equivalents	-	-	-	-
Trade Recivable	1,398.10	-	-	1,398.10
Freight Demurrage/Despatch Receivable	2.01	-	-	2.01
Other Receivable	2.54	-	-	2.54
Total Receivable in Foreign Currency	1,402.65	-	-	1,402.65
Foreign currency Loan Payable	-	-	-	-
Interest on foreign currency loan payable	-	-	-	-
Trade Payables	76.02	1.37	-	77.39
Freight Demurrage/despatch payable	13.12	-	-	13.12
Provision towards Litigation settlement	-	-	-	-
Others (if any)	0.49	-	-	0.49
Total payable in Foreign currency	89.63	1.37	-	91.00
Net Assets/(Liabilities)	1,313.02	(1.37)	-	1,311.65

Sensitivity

The sensitivity of profit or loss to changes in exchange rate arises mainly from foreign currency denominated financial instrument.

(Amount in ₹ Crore)

Risk	Impact on profit after tax	
	March 31, 2018	
Increase by -1 %	13.76	13.79
Decrease by -1%	(13.76)	(13.79)

ii) Interest rate risk

The company's main interest rate risk arises from long term and short term borrowings with variable rates, which expose the company to cash flow interest rate risk. During March 31, 2018 and March 31, 2017, Company's borrowings are denominated in INR.

For STCL : Company is in the process of Liquidation Company is recognising the fixed interest as per the recovery proceeding filed by banks on STCL.

The exposure of company's borrowings to interest rate changes at the end of reporting period are as follows:

(Amount in ₹ Crore)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Variable rate borrowings	1,769.58	1,718.77	1,665.45
Fixed rate borrowings	-	-	-
Total borrowings	1,769.58	1,718.77	1,665.45

Sensitivity

Profit or loss is sensitive to higher/lower expense from borrowings as a result of change in interest rates. The table summarises the impact of increase/decrease in interest rates on Profit or loss.

(Amount in ₹ Crore)

Particulars	Impact on profit after tax	
	March 31, 2018	March 31, 2017
Interest rates- increase by (%)	(8.85)	(8.33)
Interest rates- decrease by (%)	8.85	8.33

iii) Security price fluctuation risk

The company's exposure to security price risk arises from company's investments in mutual funds and classified in the balance sheet as fair value through profit and loss

Sensitivity

The table below summarises the impact of increase/decrease of the investment by certain percentage on Profit or Loss of the company.

Particulars	Impact on profit after tax	
	March 31, 2018	March 31, 2017
Interest rates- increase by (%)	-	-
Interest rates- decrease by (%)	-	-



b) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables and unbilled revenue. Accordingly, credit risk from trade receivables has been separately evaluated from all other financial assets in the following paragraphs.

Trade Receivables & Unbilled Revenue

(Amount in ₹ Crore)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Trade Receivables	3,185.55	3,093.23	3,708.07
Unbilled Revenue	-	-	-

Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers. On account of adoption of Ind-AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the company's historical experience for customers.

Credit risk exposure

An analysis of age of trade receivables and unbilled receivables at each reporting date is summarized as follows:

(Amount in ₹ Crore)

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	Gross	Impairment	Gross	Impairment	Gross	Impairment
Not past due	1.78	-	16.95	-	37.69	-
Past due less than three months	94.52	-	62.93	-	115.54	-
Past due more than three months but not more than six months	68.51	-	121.97	-	211.47	-
Past due more than six months but not more than one year	156.60	28.66	206.06	28.51	135.80	28.51
More than one year	3,517.60	624.79	3,374.10	660.27	3,702.28	466.19
Total	3,839.01	653.45	3,782.01	688.78	4,202.78	494.70

Trade receivables are impaired when recoverability is considered doubtful based on the recovery analysis performed by the company for individual trade receivables. The Holding company considers that all the above financial assets that are not impaired and past due for each reporting dates under review are of good credit quality. The subsidiary company does not hold any collateral or other enhancements to cover its credit risks associated with its financial assets.

Other financial assets

Credit risk relating to cash and cash equivalents is considered negligible because our counterparties are banks. We consider the credit quality of term deposits with such banks that are majority owned by the Government of India and subject to the regulatory oversight of the Reserve Bank of India to be good, and we review these banking relationships on an ongoing basis. Credit risk related to employee loans are considered negligible since loan is secured against the property/guarantee for which loan is granted to the employees. There are no impairment provisions as at each reporting date against these financial assets. We consider all the above financial assets as at the reporting dates to be of good credit quality.

c) Liquidity Risk

Our liquidity needs are monitored on the basis of monthly and yearly projections. The company's principal sources of liquidity are cash and cash equivalents, cash generated from operations and credit facilities from banks.

We manage our liquidity needs by continuously monitoring cash inflows and by maintaining adequate cash and cash equivalents. Net cash requirements are compared to available cash in order to determine any shortfalls.

Short term liquidity requirements consists mainly of sundry creditors, expense payable, employee dues arising during the normal course of business as of each reporting date. We maintain a sufficient balance in cash and cash equivalents to meet our short term liquidity requirements.

We assess long term liquidity requirements on a periodical basis and manage them through internal accruals.

The table below provides details regarding the contractual maturities of non-derivative financial liabilities. The table have been drawn up based on the undiscovered cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The table includes both principal & interest cash flows.

With respect to Subsidiary Company:

In the absence of any operations, the company doesn't required to assess its liquidity needs. Company has major liabilities towards the banks which are under litigation.

(a) As on March 31, 2018

(Amount in ₹ Crore)

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	90.79	6.04	116.29	957.92	38.71	1,209.75
Short term borrowings (cash credit)	1,359.51	84.81	1,510.52	-	-	2,954.84
Long Term Borrowings	-	-	-	-	-	-
Other Financial Liabilities	3,444.48	92.82	39.43	16.00	90.68	3,683.41
Total	4,894.78	183.67	1,666.24	973.92	129.39	7,848.00

(b) As on March 31, 2017

(Amount in ₹ Crore)

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	121.20	45.04	7.15	976.70	17.76	1,167.85
Short term borrowings (cash credit)	1,237.24	86.83	1,433.68	-	-	2,757.75
Long Term Borrowings	-	-	146.28	-	-	146.28
Other Financial Liabilities	2,772.40	77.52	42.04	22.16	81.23	2,995.35
Total	4,130.84	209.39	1,629.15	998.86	98.99	7,067.23

(c) As on April 1, 2016

(Amount in ₹ Crore)

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	137.44	454.10	69.38	980.46	21.72	1,663.10
Short term borrowings (cash credit)	1,236.55	4.21	1,433.68	-	-	2,674.44
Long Term Borrowings	176.28	-	-	-	-	176.28
Other Financial Liabilities	2,193.30	111.72	57.74	17.04	81.87	2,461.67
Total	3,743.57	570.03	1,560.80	997.50	103.59	6,975.49

Capital Management

Subsidiary Company is under the process of winding up. Hence in the absence of any operations company doesn't required to manage its capital requirement.



41 Disclosure in respect of Indian Accounting Standard (Ind AS)-21 "The Effects of changes in Foreign Exchange Rates"

The amount of exchange differences (Net) credited to the Statement of Profit & Loss Rs. 0.54 Cr. (P.Y. Rs. 24.81 Cr.)

42 Disclosure in respect of Indian Accounting Standard (Ind AS)-23 "Borrowing Costs"

The amount capitalized with Property, Plant & Equipments as borrowing cost is Rs. Nil & Rs. Nil for the year ended March 31, 2018 & March 31, 2017 respectively.

43 Disclosure in respect of Indian Accounting Standard (Ind AS)-36 "Impairment of assets"

During the year, the company assessed the impairment loss of assets and is of Rs. 0.59 Cr. (0.36 Cr.)

44 Disclosure in respect of Indian Accounting standard (Ind AS)-108: "Operating Segments"

Operating Segments

- 1) Export
- 2) Import
- 3) Domestic

Identification of Segments

The Chief Operating Decision Maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of products/services and have been identified as per the quantitative criteria specified in the Ind AS.

Segment revenue and results

The expenses and incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocated income).

Segment assets and liability

Segment assets include all operating assets used by the operating segments and mainly consists of PPE, trade receivables, cash & cash equivalents and inventories. Segment liability primarily includes trade payables and other liabilities. Common assets and liabilities which can not be allocated to any of the segments are shown as a part of unallocable assets and liabilities.

Intersegment Transfers

Intersegment prices are normally negotiated among segments with reference to the cost, market price and business risk. Profit or loss on intersegment transfers are eliminated at the company level.

(i) Segment Revenue and Expense

Details regarding revenue and expenses attributable to each segment must be disclosed

Segment assets include all operating assets in respective segments comprising of net fixed assets and current assets, loans and advances etc. Assets relating to corporate and construction are included in unallocated segments. Segment liabilities include liabilities and provisions directly attributable to respective segment.

Segment revenues and results

(a) for the year ended March 31, 2018

(Amount in ₹ Crore)

Particulars	Export	Import	Domestic	Unallocated	Total
Segment Revenue					
(a) External Sales	279.19	10,240.04	346.48	-	10,865.71
(b) Inter segment revenue	-	-	-	-	-

(Amount in ₹ Crore)

	Particulars	Export	Import	Domestic	Unallocated	Total
	Segment Revenue (1(a) +1 (b))	279.19	10,240.04	346.48	-	10,865.71
(2)	Segments Results	18.23	4.82	3.01	-	26.06
(3)	a) Unallocated Corporate expenses net of unallocated income	0.80	0.75	0.07	114.36	115.98
	b) Interest Expense	21.19	0.40	0.27	811.52	833.38
	c) Interest Income	(259.63)	(1.43)	(0.02)	(7.81)	(268.89)
	Total	(237.64)	(0.28)	0.32	918.07	680.47
(4)	Profit before tax from ordinary activities (2)-3 (a), (b) & (c)	255.87	5.10	2.69	(918.07)	(654.41)
(5)	Exceptional Items	(0.01)	4.85	(35.92)	1.30	(29.78)
(6)	Income taxes	-	-	-	(5.27)	(5.27)
(7)	Net Profit after tax (4)- (5) -(6)	255.88	0.25	38.61	(914.10)	(619.36)
(8)	Interest in results of JV's	-	-	-	-	-
(9)	Other Information :	-	-	-	-	-
	(a) Segment Assets	3,156.88	85.25	52.69	1,147.94	4,442.76
	(b) Segment Liabilities	1,327.65	255.28	62.47	6,429.23	8,074.03
	(c) Capital Expenditure	-	-	-	1.55	1.55
	(d) Depreciation	-	-	-	16.70	16.70
	(e) Non-Cash expenses other than depreciation	-	5.32	5.63	0.78	11.73

(b) for the year ended March 31, 2017

(Amount in ₹ Crore)

	Particulars	Export	Import	Domestic	Unallocated	Total
	Segment Revenue					
	(a) External Sales	793.11	6,414.88	606.49	-	7,814.48
	(b) Inter Segment revenue	-	-	-	-	-
	Segment Revenue (1(a) +1 (b))	793.11	6,414.88	606.49	-	7,814.48
(2)	Segments Results	19.47	10.11	5.45	-	35.03
(3)	(a) Unallocated Corporate expenses net of unallocated income	1.57	1.16	-	118.35	121.08
	(b) Interest Expense	18.92	0.12	-	699.83	718.87
	(c) Interest Income	(232.02)	(1.55)	(0.49)	(3.25)	(237.31)
	Total	(211.53)	(0.27)	(0.49)	814.93	602.64

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(Amount in ₹ Crore)

	Particulars	Export	Import	Domestic	Unallocated	Total
(4)	Profit before tax from ordinary activities (2)-3 (a),(b) & (c)	231.00	10.38	5.94	(814.93)	(567.61)
(5)	Exceptional Items	(0.01)	112.02	41.15	(9.11)	144.05
(6)	Income taxes	-	-	-	16.85	16.85
(7)	Net Profit after tax (4)- (5) -(6)	231.01	(101.64)	(35.21)	(822.67)	(728.51)
(8)	Interest in results of JV's	-	-	-	-	-
(9)	Other Information:	-	-	-	-	-
	(a) Segment Assets	2,984.15	105.25	98.86	1,101.32	4,289.58
	(b) Segment Liabilities	1,367.76	247.33	38.70	5,651.46	7,305.25
	(c) Capital Expenditure	-	-	-	2.68	2.68
	(d) Depreciation	-	-	-	16.72	16.72
	(e) Non-Cash expenses other than depreciation	0.50	129.59	41.76	29.12	200.97

Segment assets and liabilities

(c) As on April 01, 2016

(Amount in ₹ Crore)

	Particulars	Export	Import	Domestic	Unallocated	Total
(8)	Interest in results of JV's	-	-	-	-	-
(9)	Other Information :	-	-	-	-	-
	a) Segment Assets	3,215.53	329.61	154.06	1,158.31	4,857.51
	b) Segment Liabilities	1,803.97	206.70	75.05	5,061.08	7,146.80

(ii) Information about major customers

Revenue from major customers under import segment is Rs. Nil (31.03.2017, Rs.2047.32 Cr which is more than 10% of companies total revenue).

NOTE NO. 45:

Disclosure as per IND AS 19 Employee Benefits

(i) Defined Contribution plans:

A. Pension

Holding Company has defined contribution pension plan for its existing employees in pursuance to the guidelines issued by the Department of Public Enterprises. In this regard STC Employees Defined Contribution Superannuation Pension Trust has been formed. Under the scheme the employer's contribution is 9% of basic pay plus VDA of eligible employees and the funds of the trust are managed by LIC. An employee has to be member of trust for a minimum period of 15 years to avail the benefit of this scheme. In case the employee leaves the company before completion of 15 years only employee contribution along with interest is payable to him. However, this condition does not apply to the employees who join the other CPSE having the same Pension Scheme. (Refer Note.30 for expense on this account)

B. Provident fund

The Subsidiary Company's contribution towards provident fund payable to Provident fund trust on accrual basis which invests the funds in permitted securities. The contribution to the fund for the year is recognised as expenses and is charged to the Statement of Profit & Loss till March 2017 (Refer Note. 30 for expense on this account). Since RPFC has cancelled the relaxation order of the PF trust during the February, 2017 the contribution towards provident fund payable to provident fund is being paid to RPFC from March 2017, onwards. The obligation of the Subsidiary company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by the Government up to Feb' 2017. The company has incurred loss on account of ensuring minimum return on PF fund till Feb' 2017. The amount of Losses are yet to be communicated by RPFC.

i) Defined benefit plans:

A. Provident fund

Holding Company pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the year is recognised as expenses and is charged to the Statement of Profit & Loss (Refer Note.30 for expense on this account). The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by the Government. The company has not incurred any loss on account of ensuring minimum return on PF fund till 31.03.2017. However, since the actuarial valuation report has not been obtained as at 31.03.18, the Holding company is unable to comment upon the quantum of loss/gain in ensuring minimum return on the fund.

B. Gratuity

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of Rs.0.10 crore on superannuation, resignation, termination, disablement or on death. The maximum ceiling of Rs.0.10 Crore has been enhanced to Rs. 0.20 crore vide amendment in the payment of gratuity Act 1972 w.e.f 28.03.2018. However the increased limit of Gratuity is subject to approval in the company. The Company has carried out actuarial valuation of gratuity benefit considering the enhanced ceiling.

Based on the actuarial valuation, the following table sets out the status of the gratuity and the amounts recognised in the Company's financial statements as at balance sheet date:

(Amount in ₹ Crore)		
Net defined benefit (asset)/liability:	31.03.2018	31.03.2017
Current	12.36	8.60
Non-Current	47.64	42.66
Total PBO at the End of year	60.00	51.26

Movement in net defined benefit (asset)/liability

(Amount in ₹ Crore)

S. No.	Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (Asset) Liability	
		31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
A	Opening balance	51.95	52.76	53.23	52.79	-1.28	-0.03
B	Included in profit or loss:	-	-	-	-	-	-
(i)	Current service cost	2.30	2.14	-	-	2.30	2.14
(ii)	Past service cost	12.88	-	-	-	12.88	-
(iii)	Interest cost (income)	3.82	4.09	-3.87	-4.05	-0.04	0.03
	Total amount recognised in profit or loss (i+ii+iii)	19.00	6.23	-3.87	-4.05	15.14	2.17
C	Included in OCI:						
	Remeasurement loss (gain):	-	-	-	-	-	-
	Actuarial loss (gain) arising from :	-	-	-	-	-	-
(i)	Financial assumptions	-0.88	0.60	-	-	-0.88	0.60
(ii)	Experience adjustment	-3.67	-3.95	-	-	-3.67	-3.95
(iii)	Return on plan assets excluding interest income	-	-	-0.34	0.03	-0.34	0.03
	Total amount recognised in other comprehensive income (i+ii+iii)	-4.55	-3.35	-0.34	0.03	-4.89	-3.32
D	Other	-	0.10	-	-	-	0.10
E	Contribution Paid to the Fund	-	-	-	0.20	-	-0.20
F	Benefits paid	-5.76	-3.79	-5.76	-3.79	-	-
G	Closing balance (A+B+C+D+E+F)	60.64	51.95	51.68	53.23	8.96	-1.27

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The Fair Value of Plan Assets at the end of the reporting period is as follows:

(Amount in ₹ Crore)

S.No.	Particulars	As at 31.03.2018	As at 31.03.2017
(A)	Balance with Bank		
	SBI	-	-
	Yes Bank	0.03	0.51
	IDBI	0.01	-
	Total (A)	0.04	0.51
(B)	Group Gratuity Traditional Fund Scheme		
	Bajaj Allianz	16.54	15.22
	SBI Life	26.47	29.40
	HDFC Standard Life Insurance	7.98	7.40
	Total (B)	50.99	52.02
	Grand Total (A+B)	51.03	52.53

Note: In case of the subsidiary company gratuity scheme is managed through LIC and details of the assets are not provided.

C. Post-Retirement Medical Benefit Scheme (PRMB)

The Holding Company has Post-Retirement Medical Benefit Scheme (PRMB), under which the retired employees and their spouses are provided medical facilities in the empanelled hospitals. They can also avail treatment as out-patient subject to a ceiling fixed by the Company. The scheme is unfunded and the liability for the same is recognised annually on the basis of actuarial valuation. However, the STC Retired Employees Medical Benefit Scheme has been suspended w.e.f 16.05.2018 till further orders. Hence it may affect the actual Liability on this account the magnitude of which is not ascertainable at present. Further the company has curtailed the Medical Benefits of employees retired on or before 25.11.2008. The medical benefits to be provided to such employees have been brought at par with the the employees retiring after 26.11.2008. The effect of such curtailment has already been taken while calculating the actuarial valuation of Post Retirement Medical Benefit Scheme.

Based on the actuarial valuation, the following table sets out the status of the PRMB and the amounts recognised in the Company's financial statements as at balance sheet date:

(Amount in ₹ Crore)

Net defined benefit (asset)/liability:	31.03.2018	31.03.2017
Current	7.35	6.83
Non-Current	95.69	95.60
Total PBO at the End of year	103.04	102.43

Movement in net defined benefit (asset)/liability

(Amount in ₹ Crore)

S. No.	Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net defined benefit (asset) liability	
		31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
A	Opening balance	102.43	96.95	-	-	102.43	96.95
B	Included in profit or loss:	-	-	-	-	-	-
(i)	Current service cost	0.82	0.68	-	-	0.82	0.68
(ii)	Past service cost	-	-	-	-	-	-
(iii)	Interest cost (income)	7.53	7.52	-	-	7.53	7.52
	Total amount recognised in profit or loss	8.35	8.20	-	-	8.35	8.20

(Amount in ₹ Crore)

S. No.	Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net defined benefit (asset) liability	
		31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
C	Included in OCI:						
	Remeasurement loss (gain):	-	-	-	-	-	-
	Actuarial loss (gain) arising from :	-	-	-	-	-	-
(i)	Financial assumptions	-4.17	4.47	-	-	-4.17	4.47
(ii)	Experience adjustment	5.52	2.17	-	-	5.52	2.17
(iii)	Return on plan assets excluding interest income						
	Total amount recognised in other comprehensive income	1.35	6.64	-	-	1.35	6.64
D	Other						
E	Benefits paid	-9.09	-9.36	-	-	-9.09	-9.36
F	Closing balance (A+B+C+D+E)	103.04	102.43	-	-	103.04	102.43

D. Leave

The Company provides Earned Leave (EL) and Half Pay Leave (HPL) benefit to the employees of the Company which accrue annually at 30 days and 20 days respectively. The maximum ceiling for encashment of leave at time of superannuation/cessation from service other than on disciplinary ground shall be limited to 300 days (EL & HPL combined). 50% of EL subject to a maximum 150 days is en-cashable on resignation. EL is en-cashable while in service leaving a minimum balance of 15 days twice a year. The scheme is unfunded and liability for the same is recognised on the basis of Actuarial Valuation.

(Amount in ₹ Crore)

Net defined benefit (asset)/liability :	31.03.2018	31.03.2017
Current	2.27	2.45
Non-current	11.90	11.01
Total PBO at the End of year	14.17	13.46

Movement in net defined benefit (asset)/liability

(Amount in ₹ Crore)

S. No.	Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net defined benefit (asset) liability	
		31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
A	Opening balance	13.46	15.88	-	-	13.46	15.88
B	Included in profit or loss:	-	-	-	-	-	-
(i)	Current service cost	0.84	0.85	-	-	0.84	0.85
(ii)	Past service cost	-	-	-	-	-	-
(iii)	Interest cost (income)	0.99	1.23	-	-	0.99	1.23

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(Amount in ₹ Crore)

S. No.	Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net defined benefit (asset) liability	
		31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
C	Remeasurement loss (gain):	-	-	-	-	0.11	0.08
	Actuarial loss (gain) arising from :	-	-	-	-	-	-
(i)	Financial assumptions	-0.26	0.33	-	-	-0.26	0.33
(ii)	Experience adjustment	2.08	2.24	-	-	2.08	2.24
(iii)	Return on plan assets excluding interest income						
	Total amount recognised in profit or loss (B+C)	3.65	4.65	-	-	3.65	4.65
E	Benefits paid	-2.93	-7.08	-	-	-2.93	-7.08
	Closing balance (A+B+C+D+E)	14.17	13.46	-	-	14.18	13.45

Sick Leave/(HPL)

(Amount in ₹ Crore)

Net defined benefit (asset)/liability:	31.03.2018	31.03.2017
Current	2.97	2.56
Non-current	9.66	11.74
Total PBO at the End of year	12.63	14.30

Movement in net defined benefit (asset)/liability

(Amount in ₹ Crore)

S. No.	Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net defined benefit (asset) liability	
		31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
A	Opening balance	14.30	14.08	-	-	14.30	14.08
B	Included in profit or loss:	-	-	-	-	-	-
(i)	Current service cost	0.50	0.65	-	-	0.50	0.65
(ii)	Past service cost	-	-	-	-	-	-
(iii)	Interest cost (income)	1.05	1.09	-	-	1.05	1.09
C	Remeasurement loss (gain):	-	-	-	-	-	-
	Actuarial loss (gain) arising from :	-	-	-	-	-	-
(i)	Financial assumptions	-0.20	0.26	-	-	-0.20	0.26
(ii)	Experience adjustment	-1.76	-1.13	-	-	-1.76	-1.13
(iii)	Return on plan assets excluding interest income						
	Total amount recognised in profit or loss (B+C)	(0.41)	0.87	-	-	(0.41)	0.87
D	Other						
E	Benefits paid	-1.26	-0.65	-	-	-1.26	-0.65
	Closing balance (A+B+C+D+E)	12.63	14.30	-	-	12.63	14.30

E Other Benefits

Service awards were given to regular employees for rendering continuous service in the Holding Company for long service rendered by them on completion of 15/25/30/35/38 years of service. Besides this, service award @ ₹1,000/- per year for each completed year of service was also given at the time of retirement subject to a maximum of ₹30,000/-. The same has been discontinued vide Personnel Division Circular dated 13.06.2017. As per Actuarial Valuation company's best estimates for FY 2017-2018 is Nil. (₹1.53Cr. for 2016-2017) for on roll employees.

F Actuarial Assumptions

The following were the principal actuarial assumptions at the reporting date

S.No.	Particulars	31.03.2018	31.03.2017
1	Discount Rate	7.71%	7.36%
2	Future Salary Increase	8.00%	8.00%
3	Medical Cost Increase	8.00%	8.00%

The following were the principal actuarial assumptions at the reporting date

S.No.	Particulars	31.03.2018	31.03.2017
1	Discount Rate	7.54%	7.36%
2	Future Salary Increase	7.54%	8.00%

- The discount rate is based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that of the liability
- Salary Growth rate is company's long term best estimate as to salary increases & takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting period.
- Medical Cost increase rate is company's long term best estimate as to cost increases taking into account of inflation, other relevant factors on long term basis as provide in relevant accounting period

G Sensitivity Analysis

Holding company:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:"

Assumption	As on 31.03.2018				
	Change in Assumption	Gratuity	PRMB	Earned Leave	Half Pay Leave
		(Funded)	(Non Funded)		
Discount rate	0.50%	-1.34	-5.64	-0.41	-0.28
	-0.50%	1.40	5.74	0.44	0.29
Salary growth rate	0.50%	1.39	-	0.44	0.29
	-0.50%	-1.35	-	-0.41	-0.28
Medical Cost Increase	0.50%	-	5.78	-	-
	-0.50%	-	-5.67	-	-

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Assumption	As on 31.03.2017				
	Change in Assumption	Gratuity	PRMB	Earned Leave	Half Pay Leave
		(Funded)	(Non Funded)		
Discount rate	0.50%	-0.74	-5.61	-0.40	-0.33
	-0.50%	0.72	5.70	0.43	0.35
Salary growth rate	0.50%	0.71	-	0.42	0.35
	-0.50%	-0.74	-	-0.40	-0.33
Medical Cost Increase	0.50%	-	5.75	-	-
	-0.50%	-	-5.64	-	-

Subsidiary company:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Assumption	As on 31.03.2018				
	Change in Assumption	Gratuity	PRMB	Earned Leave	Half Pay Leave
		(Funded)	(Non Funded)		
Discount rate	0.50%	0.65	-	0.30	-
	-0.50%	0.71	-	0.33	-
Salary growth rate	1.00%	0.73	-	0.35	-
	1.00%	0.63	-	0.29	-

Assumption	As on 31.03.2017				
	Change in Assumption	Gratuity	PRMB	Earned Leave	Half Pay Leave
		(Funded)	(Non Funded)		
Discount rate	0.50%	0.52	-	0.39	-
	-0.50%	0.56	-	0.42	-
Salary growth rate	1.00%	0.57	-	0.43	-
	1.00%	0.50	-	0.38	-

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated by actuarial. Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

H Risk Exposure

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follows:

- Salary Increase-** Actual salary increase will increase the Plan's Liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- Investment Risk-** If plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- Discount Rate-** Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & Disability-** Actual deaths & Disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- Withdrawals-** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's Liability.

Holding Company:
Maturity Profile of Defined Benefit Obligations

(Amount in ₹ Crore)

Year of payment	As on 31.03.2018			
	Gratuity	PRMB	Earned Leave	Half Pay Leave
	(Funded)	(Non Funded)		
Less than 1 year	12.33	7.35	2.27	2.97
Between 1-2 years	10.69	8.44	1.29	1.36
Between 2-3 years	4.16	9.37	1.68	1.46
Between 3-4 years	4.82	10.49	1.53	1.19
Between 4-5 years	4.84	11.96	1.31	1.40
Over 5 years	23.11	55.42	5.77	4.25

(Amount in ₹ Crore)

Year of payment	As on 31.03.2017			
	Gratuity	PRMB	Earned Leave	Half Pay Leave
	(Funded)	(Non Funded)		
Less than 1 year	8.75	6.83	2.31	2.56
Between 1-2 years	11.51	7.13	1.28	2.08
Between 2-3 years	3.69	8.14	1.42	1.46
Between 3-4 years	3.77	8.99	1.29	1.36
Between 4-5 years	3.73	10.02	1.21	1.24
Over 5 years	19.97	61.31	5.54	5.61

Subsidiary Company:
Maturity Profile of Defined Benefit Obligations

(Amount in ₹ Crore)

Year of payment	As on 31.03.2018			
	Gratuity	PRMB	Earned Leave	Half Pay Leave
	(Funded)	(Non Funded)		
Less than 1 year	-		-	
Between 1-2 years	-		-	
Between 2-3 years	0.01		0.14	
Between 3-4 years	0.28		-	
Between 4-5 years	-		0.01	
Over 5 years	1.25		0.64	

(Amount in ₹ Crore)

Year of payment	As on 31.03.2017			
	Gratuity	PRMB	Earned Leave	Half Pay Leave
	(Funded)	(Non Funded)		
Less than 1 year	-		0.15	
Between 1-2 years	0.07		-	
Between 2-3 years	-		-	
Between 3-4 years	-		0.13	
Between 4-5 years	0.19		-	
Over 5 years	0.84		0.47	

Note: The above figures in case of subsidiary company are undiscounted.



46-A. Disclosure in respect of Indian Accounting Standard 24 "Related Parties Disclosures"

a) List of Related parties:-

(i) Joint Ventures:

1. N.S.S Satpura Development Company Limited

(ii) Associates:

1. Richfield Aquatech Ltd.
2. Blue Gold Maritech Ltd.
3. National Tannery Company Ltd.
4. Indopirin Gloves Limited.

(iii) Key Managerial Personnel (KMP):

Name	Designation	Remarks
Shri Khaleel Rahim	Chairman & Managing Director	Suspended w.e.f 18.11.2016
	Chairman STCL	Till 18.11.2016
Shri SK Gupta	Director Marketing	Upto 13.07.2017
Shri Rajiv Chopra	Director (Marketing)	Additional Charge of CMD w.e.f 28.11.2016
	Chairman STCL	30.01.2017 till date
Shri H.P Girish	Managing Director	23.09.2010 to 31.01.2018
Shri S.K Sharma	Director (Personnel)	Additional Charge of Director Finance w.e.f. 31-10-2016 to 3-01-2018
	Managing Director (Additional Charge)	31.01.2018 to till date
Shri P.K Dass	Director (Marketing)	w.e.f 19.02.2016
Shri Umesh Sharma	Director (Finance) MMTC	Additional charge of STC w.e.f 04.01.2018
Shri G. Ravichandran	Director (Finance)	Upto 24.08.2016
Shri J K Dadoo	Government Nominee	Upto 16.03.2018
Shri S.C Pandey	Government Nominee	w.e.f 27.03.2018
Shri AK Bhalla	Government Nominee	Upto 02.11.2016
Dr. Inderjit Singh	Government Nominee	10.11.2016 to 28.09.2017
Shri Sunil Kumar	Government Nominee	W.e.f 21.10.2017
Dr. N Sundaradevan	Independent Director	w.e.f 03.08.2016
Dr. K Rangarajan	Independent Director	w.e.f 03.08.2016
Shri Sunil Trivedi	Independent Director	w.e.f 03.08.2016
Shri Arvind Gupta	Independent Director	w.e.f 03.08.2016
Dr. Amitabh Rajan	Independent Director	w.e.f 14.02.2017
Shri M.L Pareek	Independent Director	w.e.f 14.02.2017
Ms. Bharathi Magdum	Independent Director	w.e.f 24.03.2017
Shri Bharatsingh Parmar	Independent Director	w.e.f 31.03.2017
Ritu Arora	Company Secretary	From 11.08.2016 to 03.01.2018
Kanchan Tripathi	Company Secretary	Upto 11.08.2016
Kamlesh Kumari	Company Secretary	w.e.f 04.01.2018
Shri S.K Singhal	Chief Financial Officer	w.e.f 05.03.2018
Smt. Mugdha Sinha	Director, STCL	29.08.2016 to 29.11.2016
Sh. B BSaha	Director, STCL	Till 14.05.2017
Smt. Rooma Nagrath	Director, STCL	15.05.2017 to till date
Sh. K.V Nagi Reddy	Director, STCL	29.11.2016 to 20.02.2017
Sh. Samir Kumar	Director, STCL	18.06.2015 to 31.05.2016
Dr. Shobit Jain	Government Nominee	29.02.2017 to till date

(iv) Post Employment Benefit Plans:

1. The STC of India Ltd. Employees Provident Fund Trust.
2. The STC of India Ltd. Gratuity Fund Trust.
3. STC Employees Defined Contribution Superannuation Pension Trust.
4. STCL Employees Provident Fund Trust
5. STCL Employees Gratuity Fund Trust

(v) Entities under the control of the same Government:

The company is a Central Public Sector Undertaking (CPSU) controlled by Central Government by holding majority of shares (refer note 18), Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The company has applied the exemption available for government related entities and has made limited disclosures in the financial statements. Such entities with which the Company has significant transactions include but not limited to Ministry of Fertilizers and chemicals.

b) Transactions with the related parties are as follows:

Joint Venture Companies	Joint Venture Companies	
Particulars	2017-18	2016-17
	-	-

(Amount in ₹ Crore)

Compensation to Key management personnel	2017-18	2016-17
- Short term employee benefits	1.73	2.18
- Post employment benefits	0.52	0.28
- Termination benefits	-	-
- Other long term benefits	0.20	0.34
Total Compensation to Key management personnel	2.45	2.80

(Amount in ₹ Crore)

Particulars	Employees Provident Fund Trust		Employees Defined Contribution Superannuation Pension Trust		Employees Gratuity Fund Trust	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Contribution made during the year	4.97	5.29	4.27	4.44	10.07	(1.22)
Outstanding Balance at the end of the year with STC	1.63	1.79	0.32	0.33	8.93	(1.13)

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Transactions with the related parties under the control of the same Government

(Amount in ₹ Crore)

S. No.	Name of the Govt. Dept./ Govt. Entity	Nature of relationship with Entity	Nature of Transaction	2017-18	2016-17
1	FCI	Central govt.	Export	0.33	
2	NDDDB	Central govt.	Others	0.25	-
3	BIFR/DFS	Central govt.	Others	5.34	9.37
4	IBEF	Central govt.	Others	1.34	1.21
5	Noida SEZ	Central govt.	Others	0.47	0.39
6	15th Finance Commision	Central govt.	Others	2.75	-
7	Ministry of De-fence	Central govt.	Domestic	7.68	5.74
8	Department of Fertilizer	Central govt.	Import	-	2,047.33
9	Guajart State Petroleum Cor-poration	Govt. of India Undertaking	Others	1.17	1.78
10	ONGC	Govt. of India Undertaking	Others	0.39	-
11	Rashtriyalspat Nigam Ltd	Govt. of India Undertaking	Domestic	1.66	0.91
12	NMDC Ltd	Govt. of India Undertaking	Domestic	0.01	1.19
13	FAD	Govt.	Domestic	5.59	8.09
14	PHQ Bhopal	Govt.	Domestic	-	2.10
15	COD Jabalpur	Govt.	Domestic	-	2.33
16	CAD Pulgaon Maharashtra	Govt.	Domestic	-	0.56
17	Bharat Oman Refinery Limited	Govt. of India Undertaking	Domestic	12.45	69.48
18	Amortization of Grant	Govt.	Domestic	0.20	0.24
19	Interest Charge on Grant repay-able Liability	Govt.	Domestic	0.05	0.05
20	Interest Charge on Custom Duty repayable	Govt.	Domestic	0.18	0.18
Total				39.85	2184.19

c) Outstanding balances with related parties are as follows:

(Amount in ₹ Crore)

Particulars	31st March 2018	31st March 2017	01st April 2016
Amount recoverable towards loans			
- From Key Managerial personnel		Nil	
- From Others			
Amount recoverable other than loans			
- From Joint Ventures		Nil	
- From Post employment benefit plans			
Amount Payable			
- To Joint Ventures		Nil	
- Others	4.96	4.92	4.93

d) Individually significant transactions:

(Amount in ₹ Crore)

Particulars	Nature of Relationship	2017-18	2016-17
	Nil		

e) Terms and conditions of transactions with the related parties

- Transactions with the related parties are made on normal commercial terms and conditions and market rates

46-B CONSOLIDATED FINANCIAL STATEMENTS COMPRISE THE FINANCIAL STATEMENTS OF THE MEMBERS OF THE GROUP AS UNDER:

a) Investment in Subsidiaries:

Company Name	Country of Incorporation	Proportion of Ownership		
		31st March 2018	31st March 2017	01st April 2016
STCL Limited	India	100	100	100

b) Investment in Joint Venture Entities/Associates:

Company Name	Country of Incorporation	Proportion of Ownership		
		31st March 2018	31st March 2017	01st April 2016
NSS Satupura Development Company Limited	India	50	50	50
Richfield Aquatech Ltd.	DETAILS ARE NOT AVAILABLE			
Blue Gold Maritech Ltd.				
National Tannery Company Ltd.				
Indopirin Gloves Limited.				

Note: Since Financial Statements of above Joint ventures/Associates are not available therefore these are not consolidated.

c) Details of Sea lac Agro Ventures Ltd. Not available Hence not Consolidated



Notes to Accounts for the year ended March 31, 2018 Disclosure requirements of Indian Accounting Standards

47 Disclosure in respect of Indian Accounting standard (Ind AS) 17 "Leases"

47.1 Operating lease

a) As lessee

Future minimum lease payments under non-cancellable operating leases are as follows:

(Amount in ₹ Crore)			
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	As at April 1, 2016
Payable in less than 1 year	1.56	1.71	1.54
Payable between 1 year and 5 years	1.56	2.74	4.06
Payable after more than 5 years	1.26	1.64	2.02

Payments recognised as an expense in Statement of Profit & Loss

(Amount in ₹ Crore)		
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Lease expense - minimum lease payments	2.14	2.76
Contingent rent expense	-	-
Sub-lease income	3.33	3.89

Property at Bangalore:

The Land is purchased on lease for 30 years and will be expiring in FY 2026, Building is constructed on said property which is let out. Three floors of the office building are let out to two tenants. As per the terms of this agreement there is a lock in period of 24 month for both the parties i.e. one floor and where as for the other two floors lock in period for both parties is 30 months. In all the agreements lessee has the option of exiting the premises after completion of lock in period by providing 3 months advance written notice to the lessor.

Property at Bhopal:

The office building of STC Bhopal was taken on 30 years lease from BDA and has expired on 31.03.2016, per annum lease rent is ₹2061.

Property at Mumbai:

Lease for Mallat Bunder plot has expired on october 2016. However the branch is continue to occupy and use the mallat bunder plot for commercial exploitation as mutually agreed with MBPT authorities. The Branch is in the process of extension of long lease due to new policy for long lease of port trust land being approved by the ministry, Accordingly no disclosure with respect to leasing of mallat bunder plot is made in the above table

Property at Hyderabad :

The land is taken on lease from M/s Port Trust by STC, Hyderabad lease tenure being 30 years expiring in FY 2026. The lease rental is payable on annual basis which is revised after every three years @15%.

b) As lessor

Future minimum lease payments under non-cancellable operating leases are receivable as follows:

(Amount in ₹ Crore)			
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	As at April 1, 2016
Within less than 1 year	2.42	3.25	3.18
Between 1 year and 5 years	2.18	4.75	6.29
After more than 5 years	-	-	-

Payments recognised in Statement of Profit & Loss

Particulars	(Amount in ₹ Crore)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Income - generating property	42.50	39.96
Vacant Property	0.27	0.20
Self occupied property	0.05	0.06

Contingent rents recognized as an income in the period: NIL

47.2 Finance lease

a) As lessee

The company acquires land on leasehold land from the government authorities which can be further renewal based on mutually agreed terms and conditions. The leases are non cancellable. These lease are capitalised at the one time premium paid. The execution of lease deed is pending with respect to Jawahar Vyapar Bhawan, STC-Housing Colony and Flats at AGVC. Major terms and conditions of leases are as under.

1. Jawahar Vyapar Bhawan (JVB)

1. Jawahar Vyapar Bhawan (JVB)

- The land has been allotted by L&DO.
- The property to be used as office building of STC. In case of any portion of building is given on rent 25% of the rental income is payable to L&DO, which has been contested by the company.
- The property cannot be sold/ mortgage or put to any other use without written consent of L&DO.

Contingent Rent - L&DO allotted a plot of land measuring 2.599 acres for constructing of office building vide lease agreement signed on 15.12.1975. In order to execute the perpetual lease, matter has been taken up with L&DO who has indicated an expenditure of Rs 132.83 crores on various account for facilitating execution of perpetual lease. The demand raised by L&DO is not acceptable to STC and is being disputed in view of verification of actual facts. The actual liability is therefore not ascertainable at present. Hence no provision was considered necessary.

2. STC's Housing Colony:

- The property has been allotted by land and Building Delhi Administration.
- It is to be used for as residential quarters for Staff.

48 Disclosure in respect of Indian Accounting Standard (Ind AS)-33 "Earnings Per Share(EPS)

a) Basic EPS

The earnings and weighted average number of ordinary shares used in the calculation of basic EPS and Basic EPS is as follows:

Particulars	(Amount in ₹ Crore)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit (loss) for the year, attributable to the owners of the company	(616.19)	(726.38)
Earnings used in calculation of basic earnings per share (A)		
Weighted average number of ordinary shares for the purpose of basic earnings per share (B)	6.00	6.00
Basic EPS(A/B)	(102.70)	(121.06)

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b) Diluted EPS

The earnings and weighted average number of ordinary shares used in the calculation of Diluted EPS is as follows:

(Amount in ₹ Crore)		
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit (loss) for the year, attributable to the owners of the company	(616.19)	(726.38)
Earnings used in calculation of basic earnings per share (A)		
Weighted average number of ordinary shares (in crore) for the purpose of basic earnings per share (B)	6.00	6.00
Basic EPS(A/B)	(102.70)	(121.06)

49) Dividends

(Amount in ₹ Crore)		
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(i) Equity Shares (in crore)	6.00	6.00
(ii) Dividends not recognised at the end of reporting period.	Nil	Nil

50) Assets Pledged as Security

(Amount in ₹ Crore)			
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Non-current	Nil		
Total			
Financial/Non-Financial Assets			
Total			
First Charge/Floating Charge	Current assets of the Holding company All Assets of the Subsidiary company		
Total			

- 51 (a) Balances in parties' accounts, claim recoverable and advances are subject to reconciliation/confirmation in many cases and are subject to adjustments that may arise on reconciliation.
- (b) In Case of The Subsidiary Company, Balances in the account of Trade Receivables, Trade Payables, other Creditors and Business Associates are under litigation and no confirmation are received against the aforesaid balances.
- 52 Current and other liabilities include balances that are subject to reconciliation/confirmation and consequential adjustments.
- 53 Holding company (The State Trading Corporation of India Limited) has not given any guarantee for the credit facility availed by the subsidiary company The Subsidiary Company.
- 54 Accounting policies, Schedules and Notes on accounts attached form an integral part of the accounts. Values in brackets indicate corresponding previous year figure.
- 55 The Subsidiary Company had appointed M/s Management consultant Services to prepare a turn around plan for the company in view of its weak financial position. Based on the report submitted by the consultant the board of directors of the company has passed a resolution on 18.04.2013 to take necessary steps for winding up of the company and to

introduce a voluntary separation scheme (VSS) to employees. The union cabinet has approved in its meeting held on 13.08.2013 for winding up of The Subsidiary Company Limited. Accordingly the company has filed winding up petition dated 26.11.2013 before High court of Karnataka which is pending for disposal. The company has offered VSS to the regular employees during the September 2013 out of total strength of 51 employees, 32 employees have opted for VSS.

56. In case of The Subsidiary Company, as full provision for doubtful debts has already been made in the previous years, no further interest income is recognized. The amounts will be recognized as income in the year of actual recovery on collection basis. The interest payable to consortium of banks and UCO Bank of ₹559.59 crore calculated on accrual basis is to be recovered from the business associates to whom the credit facilities were provided.
57. The Subsidiary Company has filed a civil suit in 1994 against M/s. Rajesh Spices for breach of contract on supply of chillies to M/s. Kerala State Civil Supplies Corporation under back to back supply contract terms. The City Civil Court has passed a decree in favour of the Company directing M/s. Rajesh Spices to pay ₹0.34 crore with interest @ 9% p.a. [from the date of suit i.e., June 1994 to till realization] to The Subsidiary Company during August 2011. The decree passed in favour of the company has been transferred to City Civil Court, Nagpur, Maharashtra for recovery.
- 58A. In cases of The Subsidiary Company, if the Company has made Provision for Doubtful Debts, no further interest / additional margin of profit are recognized after they have been classified as doubtful debts. Any amount received from these parties after being classified as doubtful debts is being credited to their accounts and necessary entry for withdrawal of provisions are made. Only after the full receipt of the balance outstanding as per books, the interest / additional margin of profit will be recognized on cash basis.
- 58B. Disclosure in respect of Indian Accounting Standard (Ind AS)-20 "Accounting for Government Grants and Disclosure of Government Assistance

I. The break-up of total grant in aid received for various purposes is as under:

Grant received for	2017-18	2016-17	1-Apr-16
Nature to be specified	Capital	Capital	Capital
Total Grants Received	-	-	-

II. Capital Reserve for Assets acquired out of Capital Grants & Subsidies (Utilised) (See details below)

(Amount in ₹ Crore)

Grant received for	2017-18	2016-17
Opening balance	74.49	7.49
Add: Additions during the year	-	-
Less : Loss on Assets Acquired out of Grant/subsidies	-	-
Less : Amortisation of Grant/subsidies	6.19	5.96
Closing balance (B)	1.30	1.53

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59 Statement of net assets, profit & Loss and other comprehensive income attributable to owners and Non Controlling interest

Name of Entity	Country of Incorporation	% of Voting Power as on 31.03.2018	% of Voting Power as on 31.03.2017	Net Assets (Total Assets-Total Liabilities)		Share in Profit & Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
				As % of Consolidated Net assets	Amount (₹Crore)	As a % of Consolidated Profit & Loss	Amount (₹Crore)	As a % of Consolidated Other Comprehensive Income	Amount (₹Crore)	As a % of Total Comprehensive Income	Amount (₹Crore)
The State Trading Corporation of India Ltd.	India			25.63	930.81	6.06	37.52	99.37	3.15	6.6	40.67
Subsidiary Company											
STCL Ltd.	India	100	100	-125.63	-4562.68	-106.06	-656.88	0.63	0.02	-106.6	(656.86)

As per our report of even date attached

For P. JAIN & COMPANY
Chartered Accountants
Firm Reg. No. 000711C

Sd/-
(PANKAJ JAIN)
Partner
M. No. 097279

Sd/-
(RAJIV CHOPRA)
Director (Marketing) with
additional charge of CMD
DIN -06466326

Sd/-
B R DHAWAN
CGM-Finance

Sd/-
(S.K. SINGHAL)
GM-F & CFO

Sd/-
(PANKAJ KUMAR)
Company Secretary
ACS -15849

Place : New Delhi
Date : 10.08.2018

MANAGEMENT REPLIES TO THE OBSERVATIONS OF STATUTORY AUDITORS ON THE CONSOLIDATED ACCOUNTS FOR THE YEAR 2017-18

Qualifications /Observations of the Statutory Auditors	Management Replies
<p>Basis for qualification :</p> <p>(i) Reference is invited to Note no. 9.5 and 26.1, Trade receivable includes ₹2076.70 crore (previous year ₹1904.24 crores) and other income includes interest of ₹259.47 crore (previous year ₹231.93) booked during the current year on over dues from one of the business associates on account of goods supplied in earlier years. The dues are stated to be secured by EMD of ₹29.73 crore and personal guarantee of chairman of its holding company. Consequent upon Conciliation Agreement dated 15.11.2011 and further settlement agreement dated 17.05.2012 the entire dues were payable to the company by 10.11.2012. During the year, the Business Associate remitted an amount of ₹100 crore (previous year ₹70.18 crore) on the directions of Hon'ble Supreme Court. Considering the poor recovery, non-availability of security, dispute by party with respect to interest charged, and age of outstanding dues, interest income should not be recognized as per concept of prudence.</p> <p>Considering the overall circumstances surrounding the recoverability of outstanding dues of ₹2076.70 crores, we are not in a position to ascertain whether the amount is fully recoverable or not. We are informed by the management that petition for execution of decree as per Conciliation Agreements under the Arbitration and Conciliation Act, 1996 has been filed before the Hon'ble Supreme Court wherein it has been held that decree is final. The party has submitted payment proposal before the Hon'ble Apex Court which is still subjudice before the Hon'ble Apex Court. Cases U/s 138 of Negotiable Instruments Act are also filed by the company before the Hon'ble High Court Delhi. The Enforcement Directorate and CBI are also investigating into the matter about cheating and fraud done by the party. We have also been provided affirmative Board Resolution dt. 14.02.2017 and outcome dt. 30.05.2017 that all possible efforts are extended for recovery of the dues through legal process and company is assured of recovering the dues.</p>	<p>Other Income include interest of ₹259.47 crore recoverable from one of the business associate with whom conciliation agreement has been signed which has been held as final by Hon'ble Supreme Court. Dues are secured by EMD of ₹29.73 crore and the personal guarantee of Chairman of its holding company. The case for enforcement of decree is continuing with Hon'ble Supreme Court. During the year, the business associate remitted an amount of ₹100.00 crore with the knowledge of Hon'ble Supreme Court. Considering the status of case in the Hon'ble Supreme Court, the management is hopeful that the associate may come out with settlement proposal for repayment of entire dues to STC. Next date of hearing is 13.08.2018. Hence the debt is considered good and interest accrued thereon is recognized as income.</p>
<p>(ii) With respect to contingent assets disclosed, the management has not provided any substantive evidence in support of probability of recovery, hence we are not in a position to form an opinion thereon.</p>	<p>The amount shown as contingent asset as on 31.3.18 represents mostly the interest on delayed payment by the associates and other amounts recoverable from the associates under the agreement entered into with them. As per practice, the receivables/claims are reviewed by the Management at periodical intervals. In case Associates are not paying the dues/ there is inordinate delay in recovery of dues, Legal and other actions are initiated to recover the dues. Subsequently, as a prudent accounting policy, interest etc. are not recognized in books of accounts and shown as contingent asset. Provision is made where ever recovery is considered doubtful. In such cases the income is recognized on receipt basis.</p>

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<p>(iii) Reference is invited to Note 4.1, the company has not made provision of ₹132.83 crores being the amount payable to L&DO for execution of lease deed of company's one of the property, hence to that extent provision for impairment of fixed assets is short made.</p>	<p>L&DO allotted a plot of land measuring 2.599 acres for constructing of office building. Lease Agreement was signed on 15.12.1975. In order to execute the perpetual lease, matter has been taken up with L&DO who has indicated an expenditure of ₹132.83 crore on various account for facilitating execution of Perpetual Lease. The demand raised by L&DO has been examined and some discrepancies/factual inaccuracies are noticed and same have been taken up with L&DO. Thus, the demand letter raised by L&DO is under review by them. The actual liability is therefore not ascertainable at present. Hence no provision was considered necessary.</p>
<p>(iv) Reference is invited to Note no. 9.16 as regard provision of ₹3.58 crore made against ₹10.53 crore recoverable from one of the business associate, the management has considered ₹6.13 crore towards value of immovable property provided as security. Since the company is not able to sale the property inspite of various auctions, hence in our opinion till realization of such security, its value should not be considered for ascertainment of provision for doubtful debts. Had the company made the provision of said amount, net profit of current year would have been lower by ₹5.77 crore, retained earning and trade receivable (current assets) would have been lower by ₹5.77 crore.</p>	<p>Trade receivables includes an amount of ₹10.53 crore (₹10.53 crore), recoverable from one of the business associate for sale of met coke. A provision of ₹3.58 crore has been made against the dues. The balance dues are secured by mortgage of free hold land. M/s. Cushman wakefield, who had previously valued the property, has been appointed to sell the property. Process of selling the property is in advance stage. For recovery of the balance dues, claim has been filed with NCLT through IRP. The company has filed legal and criminal case against the business associate which are being followed up. In view of above no provision is considered necessary at this stage.</p>
<p>(v) Mumbai branch auditor has reported that debit balances appearing in Bhopal branch pertaining to security deposit and loans & advances of ₹0.19 crore has not been written off pending approval from competent authority. Had the company written off these balances, net profit of current year would have been lower by ₹0.19 crore, retained earning and deposits and loans & advances would have been lower by ₹0.19 crore.</p>	<p>The debit balance represent deposit with telephone authorities, sales tax authorities, MPEB and other sundry deposit etc. The Branch has been advised to examine the details and arrange other back up papers to justify the deposits in books of accounts. However necessary actions would be taken during the current financial year i.e. 2018-19.</p>
<p>Emphasis of matters: a. Reference is invited to Note no. 20.2 & 20.5, the bank accounts of the company are classified as non performing asset by all the financing banks due to non payment of dues by the company. The company has prepared the accounts on going concern basis considering the various actions being taken by the management under the supervision of the administrative ministry.</p>	<p>The Company is primarily in the business of trade with 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 is fully equipped with the necessary infrastructural facilities to undertake any volume of business operations.</p> <p>For last few years the company is facing mismatch in inflows and outflows of funds due to huge recoverable from business associates who had defaulted in making timely payment to STC. Legal actions have been taken for recovery from the associates.</p> <p>All these have led to temporary financial crunch. The source of current liquidity crunch faced by STC is not structural deficiency but the problem on account of some transactions which we are trying to resolve. The company has appointed financial advisor for restructuring of existing loans and for raising additional loans. The funds raised would be used for executing perpetual Lease deed of office complex JVB. After executing perpetual Lease deed, there would be substantial increase in value of the property. The company then proposes to raise additional working capital funds against the properties. Therefore, the Company has approached its lender banks for an appropriate resolution plan with the objective to meet the operations of the company viable and sustainable.</p>

	<p>In view of below mentioned points, it is believed that we shall be in a position to confidently sail as a going concern.</p> <ol style="list-style-type: none"> 1. Ministry of Commerce has issued a Letter of Comfort for an amount of Rs. 500 crore. The adequate support of Ministry of Commerce, Govt. of India, re-establishes our faith as a going concern entity. 2. Substantial amount is expected to be recovered from various associates in the coming years. 3. 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. <p>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.</p>
<p>b. Reference is invited to Note no. 38.3, regarding contingent liability of ₹83.32 crore payable to foreign supplier as per arbitral award, the company has filed an appeal against the arbitration award in the Hon'ble Delhi High Court and Company deposited ₹33.05 crore with court as per direction of Delhi High Court. Court proceedings are completed and Court judgement is reserved. The transaction was undertaken on behalf of Department of Fertilizer (DOF) and is being regularly followed up. Hence, no provision is considered necessary.</p>	<p>In the said transaction, on the directions of DOF, STC had directed the supplier to restrict the quantity of urea import on Govt account. The party supplied contracted quantity for which DOF paid at reduced market rate to STC.</p> <p>As STC was out of pocket for the differential amount, STC invoked PBG of M/s Helm and encashed Rs. 33.05 crore. The supplier did not accept encashment of their PBG and the matter was referred to Arbitration, where the majority award was pronounced against STC. An appeal was then filed by STC in High Court who upheld the decision of Arbitral Award. STC has now filed an SLP in Supreme Court.</p> <p>STC has been regularly updating the matter to DOF, MOC and STC's Board. STC has also been requesting DOF to release Rs. 33.05 Crore deposited by STC in Hon'ble High Court.</p> <p>DOF vide their letter dated 03.04.2017 had refuted STC's claim.</p> <p>On the representation of STC, Secretary, MOC vide their letter dated 16.06.2017 to Secretary DOF had taken up the matter with DOF for early resolution.</p>
<p>c. Reference is invited to Note no. 38.4, regarding contingent liability of ₹90.73 crore along with interest payable to a foreign supplier on account of import of pulses in earlier years as per majority arbitration award passed in favour of foreign supplier. The company has filed an appeal against the majority arbitration award in the Hon'ble Delhi High Court. This transaction was undertaken on behalf of Ministry of Consumer Affairs (MOCA), which is being regularly followed -up. In view of above, no provision is considered necessary.</p>	<p>STC imported Pulses under the 15% subsidy scheme based on directions received from Ministry of Consumer Affairs, GOI from time to time. Under the scheme, STC contracted for import of 160000 MT pulses. However after supply of initial quantity of 90660 MT, STC abrogated the agreement. The matter pertaining to abrogation of contracted quantities, which was in line with directions received, was immediately also brought to the knowledge of Ministry of Consumer Affairs and also to Ministry of Commerce who in turn during early March, 2009 referred the same to Central Vigilance Commission (CVC) for their advice. Subsequently Secretary (CVC) vide his letter dated 24.03.2009 addressed to Commerce Secretary explicitly directed STC to abrogate any balance quantity under the said contract. The party thereafter initiated legal proceedings against STC.</p>



	<p>The majority tribunal (two members) passed the award in the favour of the claimant for Rs.68.05 crore with interest @ 4% per annum from 01.12.2009 till payment, from STC covering the shipments for the months of November and December, 2008. One member of tribunal (Presiding Arbitrator) has given dissent award, which basically disallows the claim for December, 2008 shipment, which works out to Rs.35.20 Crore (approx.). STC has challenged the Arbitral Award in totality under Section 34 of the Arbitration Act in the High Court at Delhi and the same is filed under Original Miscellaneous Petition (O.M.P) No. 2/2014, as important case facts pertaining to the transaction have been overlooked by the Arbitrators</p> <p>Further STC has taken parallel action through Ministry of Commerce where it has sought their intervention for taking up this case matter with Ministry of Consumer Affairs, for initiation of appropriate steps for compensating STC in the event STC is required to pay award amount through judicial process. Further, Vide letter dated March 30, 2009, Commerce Secretary has also written a letter to Department of Consumer Affairs to compensate for the losses. STC is also taking up the matter with Ministry of Consumer Affairs.</p> <p>STC has already challenged the Arbitral Award and the said matter is under hearing at the Delhi High Court. The last hearing in the matter was held on 16.07.2018 and the next date of hearing has been fixed for 30.07.2018 for arguments. STC is making all out efforts in order to strengthen STC's argument in the case.</p> <p>The matter is presently Sub-Judice and also under consideration of Ministry of Consumer Affairs and Department of Commerce.</p>
<p>d. Reference is invited to Note no.14.2 regarding trade advance of ₹87.39 crore recoverable from one of parties against which the company has initiated legal actions including criminal proceedings. Pending outcome of legal steps initiated for recovery, full provision of ₹87.39 crore was made in earlier year. However, the company was successful in getting arbitration award of ₹110.00 crore in its favour along with 12% interest per annum from 1st May 2006 till realization of award which has been objected by the party and hearing is pending before Hon'ble High Court, New Delhi.</p>	<p>STC had financed Rs.124.79 Crore to an associate for purchase of old fertilizer plant from a public sector company. During the transaction, a sum of Rs.37.40 crore was only recovered leaving a balance amount of Rs. 87.39 Crore for recovery. STC filed various court cases including arbitration proceedings against the Party. Arbitration award of Rs.110 Crore plus interest was pronounced in favour of STC. The party filed objections under section 34 of Arbitration and Conciliation act, 1996 before the Hon'ble High Court, New Delhi, which is pending for hearing.</p> <p>After the amendment of Arbitration and Conciliation act, 1996 in October,2015, the arbitral award can be put to execution during the pendency of objection u/s 34 of the Act. STC has filed petition for execution of Arbitral award in favour of STC in Hon'ble High Court, New Delhi.</p> <p>There is an arbitral award dated 14.12.2016 passed in favour of M/s MMT in its arbitration with NLC in another matter between NLC and MMT. STC has filed an application in the Delhi High Court to secure the said awarded amount in STC's favour. Delhi High Court directed NLC to inform STC about the outcome of objection petition filed by them challenging the award dated 14.12.2006 in the court of District Judge Cuddalore, Tamilnadu before releasing any amount in favour MMT, if at all any amount so required to be released.</p>

<p>e. Reference is invited to Note no. 11.4 regarding Non Current Claim Recoverable under other financial assets ₹3.92 Crore recoverable from one of the business associate and counter claim against company for an amount of ₹39.41 crore (₹39.41 crore) by an associate. Legal proceedings are going on, As per the legal opinion obtained the ultimate outcome of the case may be in favour of company. Hence no provision and liability has been recognized in this respect.</p>	<p>One of the associate submitted an indent for import of bullion and requested STC to book forward cover of the provisional value of the indent. The forward cover was later on cancelled by STC at the request of associate. The exchange gain arising out of cancellation of forward cover was wrongly paid to associate. In order to recover the money STC appropriated the amount of deposit lying in the credit of Holding Company of the associate. An amount of Rs. 3.92 crore is recoverable from the associate company.</p> <p>Meanwhile the Holding Company has filed a case against the STC for wrongfully appropriating the securities. The matter is under arbitration. As per legal opinion obtained, in case of recoverable amount of Rs. 3.92 crore + interest, the ultimate outcome of the case may be in favour of STC. Hence no provision was made and no liability was recognized in this respect.</p>
<p>f. Reference is invited to Note no. 22.2 regarding claim of Rs. 80.03 crore towards property tax dues raised by NDMC, New Delhi on the company. The company has made the part payment of ₹20 crore pending the review of assessment by NDMC and judgment of appeals filed there against in Hon'ble Patiala House District Court New Delhi.</p>	<p>STC has paid an amount of ₹20 crore and ₹2.12 crore to NDMC during 2016-17 against its demand of ₹80.03 crore. For the balance amount, a provision has been made in the books of accounts during the FY.2016-17. However, STC has filed a legal case against NDMC in Patiala House Court of Delhi alleging that the property tax was wrongly calculated. The matter is still under litigation.</p>
<p>g. Reference is invited to Note no. 9.6, regarding non current trade receivable ₹568.44 crore on account of export of pharma products to foreign buyers on back to back basis. As there is default in the payment against export bills by the buyers which have ultimately gone into liquidation, litigation process have been initiated by the Company as well as by Indian Associates and their bankers. A claim of ₹527.86 crore has been admitted by the liquidator and decree for ₹62.47 crore by Hon'ble High Court Mumbai. There is however corresponding credit balance of ₹568.44 crore under trade payables. Management does not anticipate any liability on this account.</p>	<p>STC had exported pharmaceutical products for and on behalf of an associate to foreign buyers on back to back basis. The payment to the suppliers was to be made only upon realization of export proceeds from foreign buyers. However, the entire export proceeds could not be realized. The bills of exchange were accepted by STC conditionally (subject to realization of export proceeds from foreign buyers), the associate discounted the same from the bankers against their limits. Banks have filed cases for recovery of their dues in DRTs making STC also a party to the proceedings. In one case a decree for an amount of Rs. 63 crore has been awarded by Mumbai High Court in favour of STC.</p> <p>STC is not out of pocket as on date and, as the transaction was on back to back basis, no liability on STC is anticipated.</p>
<p>h. Reference is invited to Note no.9.9, regarding non-current trade receivable of ₹787.65 crore under the Credit Linked Insurance Scheme (CLIS) for export of gold jewellery etc. against which corresponding credit balance of ₹342.19 crore are available, leaving net receivable of ₹445.46 crore. Actions against the Business Associate have been initiated. The matter is being pursued legally and company is hopeful of recovery. As a measure of abundant caution, full provision of ₹445.46 crore being net receivable, has been made in earlier year.</p>	<p>Under the scheme, Post Shipment Finance was taken from Exim Bank to finance the export transaction. As per the agreement, the repatriation of the export proceeds was the responsibilities of associates. In some cases, the overseas buyers defaulted in payment, and the export proceeds was not realized. The matter is being pursued legally and company is hopeful of recovery. The matter is also under investigation by the concerned agencies. As a measure of abundant caution full provision of net receivable has been made. Under the circumstances, there is no likelihood of adverse impact on the reported figures in the financial statement. However, actual amount recoverable from the associate is much higher.</p>

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<p>i. Reference is invited to Note no. 9.7, regarding non-current trade receivables of ₹9.83 crore (net of provision for diminution in value of stock) recoverable from one of the business associates for goods sold in earlier years. The overdue is secured by pledge of stocks in favour of STC. Upon non-payment of overdue receivables, legal actions have been initiated against the business associate u/s 138 of Negotiable Instruments Act, 1881 and civil hearings are in progress. Another PSU company MSTC had made a claim in respect of ownership of some of the pledged stock sold by the STC to business associate. The case is pending at Hon'ble Mumbai High Court.</p>	<p>Associate submitted four cheques valuing Rs.8.62 Cr which were deposited with the bank. Consequent upon dishonoring of the same, statutory notice and criminal complaints u/s 138 of the N.I. Act were filed before MM Court, PHC which are pending. Next date of hearing is 26.10.2018.</p> <p>Since M/s MSTC tried to take over the stocks pertaining to STC stored in the premises of associate and under the control of CWC, a declaratory suit was filed by STC before Panvel Court. Court directed MSTC and STC to suggest names of auctioning agency, through which stocks would be sold. Next date of hearing is 20.08.2018.</p>
<p>j. Reference is invited to Note no.9.10, regarding other trade receivables of ₹41.92 crore on account of export of agro commodities to foreign buyers through Indian business associates against which credit balance of ₹41.92 crore is available under trade payable. The foreign buyer defaulted in making payment and upon non-receipt of the dues from business associate, the Company has initiated necessary legal steps against business associates for recovery. Considering the legal enforceability of the agreement and corresponding credit of ₹41.92 crore, no provision is considered necessary.</p>	<p>The foreign buyer defaulted in making payment and upon non-receipt of the dues from the business associates, the company has initiated necessary legal steps for its recovery. As corresponding credit of ₹41.92 crore is available under the back to back agreement, no provision is considered necessary. However, actual amount recoverable from the associate is much higher.</p>
<p>k. Reference is invited to Note no.11.3, regarding claim recoverable of Rs. 5.48 crore from one of the business associate on account of quality variations in material supplied. Considering the current status, no provision is considered necessary by the company.</p>	<p>STC has imported urea on behalf of DoF. Due to variation in particle size a claim of ₹ 5.48 crore has been lodged with the foreign supplier. Matter is being pursued for recovery.</p>
<p>l. Reference is invited to Note no.9.2, regarding current trade receivables of ₹89.75 Crore which is overdue on account of pending reconciliation issues/performance guarantee. No provision has been considered necessary by the company since the outstanding amount is secured by corresponding credit balance available in sundry creditors.</p>	<p>STC exported steel plates to a foreign associate on the basis of back up supplies from Indian associates on back to back basis. An amount of ₹89.75 crore is recoverable from foreign associate which was retained by them in accordance with the agreement. Efforts are being made to revive the Contract which expired on 12.01.2017. STC funds are not involved because Indian associate would be paid on receipt of the same from the foreign associate. In view of above, no provision was considered necessary as there is corresponding credit available in books of accounts.</p>
<p>m. Reference is invited to Note no. 9.11, regarding non current trade receivable of ₹10.21 crore recoverable from MARKFED, Govt. of Maharashtra (GOM) towards supply of RBD Palmolien under PDS Scheme during the years 2010-11 and 2011-12, pending for final reconciliation at their end. Matter is being constantly taken up with MARKFED, Govt. of Maharashtra for recovery. As a matter of prudence, full provision of ₹10.21 crore has been made during the previous year 2016-17.</p>	<p>The matter pertaining to STC claim is being regularly followed up with MARKFED, Govt. of Maharashtra. However, as a matter of prudence, a provision of Rs. 10.21 Cr has been made by STC during the F.Y. 2016-17.</p>
<p>n. The credit of input tax payable to recipient of common maintenance services provided by the company at its Delhi office is not determined and transferred to recipients as required by Section 171 of Delhi GST Act, 2017 and CGST Act, 2017.</p>	<p>Actions have been initiated to determine the amount of Input Tax credit payable, if any, to the recipients of common maintenance services.</p>

<p>o. Reference is invited to Note no. 9.3, regarding non current trade receivable of Rs. 122.95 crore from one of the business associate for goods sold in the earlier years which is overdue. STC has filed compliant for commission of offences under section 405, 406, 409, 415 & 420 read with sec. 107, 120-B, 34 of Indian Penal Code in the court of Judicial Magistrate (First Class) against the associate. As a matter of prudence, full provision for Rs. 122.95 crore had been made in previous year.</p>	<p>STC has filed criminal complaint on 28.09.2016 for breach of trust , abetment, cheating, criminal conspiracy etc. u/s 405, 406, 409, 420, 107, 120-B, 34 of I.P.C. in District Court, Jhagadia against key officials of JCL, ARCIL and ICICI bank. The Gujarati version of the complaint has been filed before the Court. Now the matter is posted for deposition of the Complainant/STC on the next date of hearing i.e. 23.08.2018.</p> <p>STC has also filed a criminal complaint with CBI on 12.06.2018 in respect of trade transactions with JCL.</p> <p>As a prudent practice provision of Rs 122.95 Crore has been made during the F.Y. 2016-17. However, actual amount recoverable is much more.</p>
<p>p. Reference is invited to Note no. 51 & 52 relating to pending reconciliation/ confirmation of balances in parties accounts, claims recoverable, advances and current and other liabilities and consequential adjustment that may arise on reconciliation.</p>	<p>Balances of Debtors/Creditors and liabilities are being reconciled after completion of each transactions and the accounts settled with the associates. However, confirmation in r/o debtors/creditors involving legal cases are not obtained as it may affect the legal proceedings.</p>
<p>q. Reference is invited to Note no. 9.8 regarding noncurrent trade receivables of Rs.17.28 crore recoverable from one of the business associates for goods sold in earlier years. Criminal complaints u/s 138 of Negotiable Instruments Act, 1881 and contempt application filed before Hon'ble High Court, New Delhi are under progress against the business associate. As a matter of prudence, provision for full amount of Rs.17.28 crore had been made in previous year.</p>	<p>STC has filed fresh affidavit & Form 32 for the purpose of issuance of summons to the accused persons before the court of MM-Patiala House Court, New Delhi. Next date of hearing is 13.09.2018.</p> <p>STC has filed contempt petition against associate before Delhi High Court for not adhering to their undertaking filed before MM Court. Court referred the matter to CBI for examination of claims. CBI submitted its Report/ calculations which were not accepted by STC. Now the matter is pending for arguments and next date of hearing is 24.09.2018.</p> <p>As a prudent accounting practice, provision for Rs 17.28 Crore has been made during the previous year. However, actual amount recoverable from the associate is much higher.</p>
<p>r. Attention is drawn to Note No. 3.1 of the notes to consolidated Ind AS financial statements, which states that, the accounts of the Subsidiary Company are prepared based on the assumption that the Company is not going concern due to following reasons:</p> <p>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 433 (a) of the Companies Act, 1956.</p> <p>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.</p> <p>Subsidiary Company had filed winding up petition before the Hon'ble High Court of Karnataka on 26.11.2013.</p> <p>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 Subsidiary Company for recovery of their dues and all other liabilities at their settlement value.</p>	<p>Since the shareholders of the subsidiary co. in the extraordinary General body meeting approved the winding of the company which was subsequently approved by Union Cabinet, the winding petition of the subsidiary company was accordingly filed before the hon'ble high court of Karnataka. Therefore the accounts of the subsidiary company is drawn on liquidation basis.</p>



s. Attention is drawn to Note No.51(b) of Notes to consolidated Ind AS financial statements which states that, the balances in the accounts of Trade Receivable, Trade Payables, Business associates and Other Creditors are under litigation and no confirmation has been received from the parties.	Confirmation in r/o debtors/creditors of subsidiary company involving legal cases are not obtained as it may affect the legal proceedings.
t. Attention is drawn to Note No. 22.5 of the Notes to consolidated Ind AS financial statements which states that, Interest payable of Rs. 3378.30 crore 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. Interest provision of Rs. 654.70 crore have been made by the subsidiary company for the current financial year. However, no confirmation is received from the banks for interest payable	Since the banks have filed petition before the Debts recovery Tribunal, No such confirmation letter for interest payable to the banks has been received by the subsidiary company. Hence the interest is calculated/ arrived on the basis of the claim filed by the banks in the DRT Court against the STCL LTD.
u. Attention is drawn to Note No. 59 to Notes to consolidated Ind AS financial statements which states that, in cases where the Subsidiary Company has made provision for Doubtful Debts, no further interest/addition margin of profit is recognized after they have been classified as doubtful debts. Rs 0.78 crore has been received from these parties during the year. As full provision has already made earlier, the same has been credited to Profit & Loss Account by reducing the provision. Only after the full receipt of the balance outstanding as per books, the interest/additional margin of profit will be recognized on cash basis	Since full provision has been made against the doubtful debts covered under this para, the provision for doubtful debts has been written back by the subsidiary company to the extent of amount recovered from the doubtful trade receivable.
v. Attention is drawn to Notes No. 22.5 of Notes to consolidated Ind AS financial statements which states that, the interest rates considered for computation of interest on short term borrowings related to devolved LC's are based on the claims of the consortium of banks with the Debt Recovery Tribunal (DRT)	Since the banks have filed petition before the Debts recovery Tribunal, No such confirmation letter for interest payable to the banks are received by the company. Hence the interest is calculated/ arrived on the basis of the claim filed by the banks in the DRT Court against the Subsidiary Company.
w. Attention is drawn to Note No. 38.12, 38.13 & 38.14 where it is mentioned that the Subsidiary Company has made provision for payment of interest as per the claim made by the consortium banks in the 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. 165.84 crore (included in Note 30) 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	Provision for interest on loans has been made at the rate mentioned in the DRT application by the banks. However where the banks have confirmed Excess interest/penal interest/liquidated damages, the same has been shown under contingent liabilities by the subsidiary company.
x. Attention is drawn to Note No. 20.6 of Notes to Consolidated Ind AS Financial Statements which states that, the total liability to banks along with interest amounting to ₹4563.55 crore is payable to consortium of seven banks and UCO Bank in respect of devolved LCs/Packing credits since 2008-09. Confirmation of outstanding interest has not been received from the banks.	Factual, no further comments.

<p>The Subsidiary Company has considered interest payable as claimed at the rates disclosed in their DRT application filed by UCO Bank and consortium of other Banks. Cash credit/short term loan is as per the DRT (Debt Recovery Tribunal) application filed by consortium of seven banks and UCO Banks on 20.07.2011. The above loan has been classified as NPA by consortium banks and UCO Bank. The Subsidiary Company has created pari-passu charge on current assets in favor of the banks and also surrendered the documents of immovable property situated at Chhindwara (3.239 hectares), Byadgi (5Acres), Siddapura (2.20 acres) and Modikeri (0.50 acres) in favor of the Bankers. In view of the immovable properties of STCL given as security, an estimated amount of ₹1.83 crore out of the total advances can be considered as secured. The consortium of bank and UCO Bank have filed cases separately against the Subsidiary Company with the DRT, wherein with regard to UCO Bank recovery case, DRT has passed an order dtd. 29.09.2015 for recovery of ₹148.18 crore, However, the Subsidiary Company has challenged DRT order at DRAT, Chennai. The banker has also issued notice u/s 13(2) of Securitization and Reconstruction of Financial Assets and enforcement of Security Interest Act, 2002. Further based on the above, the bankers have issued two Possession Notices one on 26.10.2011 on Factory Land and Building located at Byadagi and another on 17.11.2011 on Factory Land and Building located at Chhindwara, Madhya Pradesh</p>	
<p>y. Attention is drawn to Note No. 8.1 of the Notes to consolidated Ind AS financial statements with respect to investment in Shares of NSS Satpura Agro Development Corporation Ltd., which states as follows:</p> <p>The Joint Venture Company has incurred losses and its cumulative losses is Rs. 0.30 crore up to 31st March 2013 and details of subsequent period are not available, the Subsidiary Company has written off Rs. 0.08 crore 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 Company Board approved in its 142nd Board Meeting held on 24.10.2013 for withdrawal from the Joint Venture Company NSSADCL</p>	<p>Since the Audited financial statements of Joint Venture (NSS Satpura) after 31.03.2013, and the subsidiary company board approved withdrawal from the joint venture, NSS Satpura, the accounts have not been considered for consolidation by the subsidiary company.</p>
<p>z. Attention is drawn to Note. No. 38.16 which states that, subsequent to filing of arbitration petition of M/s Shiva Shankar Minerals Private Limited against STCL and on completion of arbitration process, ₹6.07 crore including legal fees of ₹0.27 crore was awarded in favour of M/s Shiva Shankar Minerals Private Limited, STCL has filed an appeal against the arbitration award which is pending before the City Civil Court, Bangalore.</p>	<p>Factual, no further comments.</p>



Annexure 'A' to Independent Auditor's Report: <p>1(a). The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except that absence of proper tagging at Mumbai Branch,</p>	<p>Mumbai branch has been instructed to arrange proper tagging of all the fixed assets.</p>
<p>1(b). The fixed assets were physically verified by the management during the year. We have been informed that no material discrepancies were noticed on such physical verification wherever done, except at Mumbai, Agra and Jalandhar branch where the management is in process of reconciling the discrepancies noticed on such physical verification.</p>	<p>Mumbai, Agra and Jalandhar branches have been requested to ascertain the discrepancies found during the course of Physical verification and initiate necessary action for reconciliation of the same with books of accounts.</p>
<p>1(c). According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except for immovable properties referred to in Annexure- E whose title deeds are not held in the company's name.</p>	<p>The title deed in r/o some of the properties located in Delhi, Mumbai & Jalandhar are not in the name of STC. Actions are being initiated in this respect in consultation with the concerned department for getting the perpetual lease deed/ other title deed in r/o the properties.</p>
<p>10. According to the information and explanations given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit except fraud of ₹5.63 crore by a business associate in Kolkata.</p>	<p>Against 2682 Mts stock of raw jute valued Rs 7.52 crore (approx.) pledged with the company; stock of only 156.92 Mts was found on physical verification done 04.04.2017 by High Court appointed Receiver. STC has filed FIR no 160/17 with the Police on 08.04.2017 against the associate and surveyor for alleged theft of material. Police has filed charge sheet dated 28.02.2018 before the court making Directors of associate and surveyor company as accused. STC has also initiated legal cases against the associate including Arbitration proceeding.</p>
Annexure 'B' to Independent Auditor's Report: <p>Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")</p> <p>Basis for Qualified Opinion</p> <p>(i) Following design gap are noticed in IFCFR such as lawyer's certificate not taken in litigation cases, monitoring and record keeping of pledged/owned inventory not maintained, ageing analysis and reconciliation with vendors not reviewed, manual calculations for leaves, no HR Software, insurance of goods, IT policy not documented, disaster management plan not documented, no data backup for divisions other than corporate accounts, data backup of accounting records not maintained for branches, maker checker mechanism not in place for sales invoicing, fixed assets tag numbers not maintained in fixed assets register, the risk control matrix neither been reviewed nor updated, huge gap in time lines fixed by the corporate account and actual reporting of financials by the divisions and branches etc.</p>	<p>Necessary actions have been initiated to fill the design gaps in internal financial control.</p>

(ii) With respect to Mumbai branch of the Company, the branch auditor has reported certain material weaknesses in internal financial control over financial reporting such as inadequate- IT & general controls, internal control system with regards to pledged inventory including maintenance of adequate records and physical verification, customer acceptance, credit evaluation and establishing customer credit limit, internal audit coverage, large financial exposure in litigated matters & pending statutory litigation involving tax demands, financial reporting system, compliance with statutory dues, maintenance of case wise legal expenses register, maintenance of fixed asset register, non availability of required information and documents in respect of old outstanding, security deposit, EMD, advances and other deposit received and paid.	The Company is in the process of conducting Special Audit of Mumbai branch in order to ascertain the reasons of weaknesses in the internal financial control as reported. Thereafter, necessary action would be taken accordingly.
iii. The subsidiary Company did not have appropriate internal control with respect to reconciliation of Trade Receivables, Trade Payables, other Creditors and Business Associates, which could result in the material misstatement in books of accounts.	Since the subsidiary company is under the winding up as per the approval of the union cabinet, the accounts have not been prepared on going concern basis. No trade transaction has been undertaken during the year under consideration. Hence it has not resulted into material mis-statement in the books of account.
iv. The lease rent of steam sterilization unit located in Chhindwara, Madhya Pradesh was not collected during the period of lease i.e. November, 2013 till the lease was terminated as on 31st January 2015. The subsidiary Company has not exercised its right to terminate the lease despite rent remaining unpaid throughout the lease period. The subsidiary Company has not filed any suit against the lessee for recovery of its dues.	In response to the petition filed by the lessee, the subsidiary Company filed objection and also made the counter claim for the amount payable by the lessee.
v. The subsidiary Company has rent advance to the tune of Rs. 3.68 crore with holding company, given towards occupation of earlier premises taken from holding company which has been terminated.	The subsidiary company is in the process of signing fresh lease agreement.
vi. The Board of Directors of subsidiary Company had delegated certain powers to the Managing Director of the company vide 107th Board Resolution dated 27th January, 2006, however, no review of the same has been made subsequently till date.	Since the subsidiary company is in the process of winding up and no business activity is being carried out, the same delegation of power are being continued.



Addendum to the Directors' Report for the Financial Year 2017-18

Comments of C&AG

With reference to the Annual Report 2017-18 sent to the members of the Company, the comment of C&AG under section 143(6)(b) of the Companies Act-2013 on the consolidated accounts of the STC for the year 2017-18 was received on 28.09.2018, where in NIL comment has been made by C&AG. The same forms part of the Directors' Report for the FY 2017-18.

For and on behalf of the Board of Directors

(Rajiv Chopra)

Chairman & Managing Director
(Additional Charge)
DIN 06466326

New Delhi
Date: 03.10.2018



गोपनीय

संख्या / No. PDCA/ND/CHQ/29-118/18-19/IV/647

भारतीय लेखापरीक्षा और लेखा विभाग,
कार्यालय प्रधान निदेशक वाणिज्यिक लेखापरीक्षा
एवं पदेन सदस्य, लेखापरीक्षा बोर्ड-1, नई दिल्ली

INDIAN AUDIT & ACCOUNTS DEPARTMENT,
OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL
AUDIT & EX-OFFICIO MEMBER, AUDIT BOARD-1, New Delhi

दिनांक / Dated : 28/09/2018

सेवा में,

अध्यक्ष एवं प्रबन्ध निदेशक,
दि स्टेट ट्रेडिंग कॉर्पोरेशन ऑफ इंडिया लिमिटेड
जवाहर व्यापार भवन, टॉलस्टॉय मार्ग
नई दिल्ली-110 001

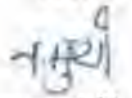
विषय : 31 मार्च, 2018 को समाप्त वर्ष हेतु दि स्टेट ट्रेडिंग कॉर्पोरेशन ऑफ इंडिया लिमिटेड के वार्षिक लेखों (Consolidated Financial Statements) पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) व 129(4) के अन्तर्गत भारत के नियंत्रक महालेखा परीक्षक की टिप्पणियाँ

महोदय,

मैं इस पत्र के साथ 31 मार्च, 2018 को समाप्त वर्ष के लिए दि स्टेट ट्रेडिंग कॉर्पोरेशन ऑफ इंडिया लिमिटेड के वार्षिक लेखों (Consolidated Financial Statements) पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) व 129(4) के अन्तर्गत भारत के नियंत्रक महालेखा परीक्षक की शून्य टिप्पणियाँ अग्रेषित करती हूँ। इन शून्य टिप्पणियों को कम्पनी की वार्षिक रिपोर्ट में प्रकाशित किया जाए और कम्पनी की आमसभा में उसी समय व उसी प्रकार रखा जाए जिस प्रकार वैधानिक लेखा परीक्षकों की लेखा रिपोर्ट रखी जाती है।

संलग्न : शून्य टिप्पणियाँ

भवदीया,



(नन्दना मुंशी)
महानिदेशक

तृतीय तल, ए-स्कन्ध, इन्द्रप्रस्थ भवन, एस्टेट, नई दिल्ली-110002
3rd Floor, A-Wing, Indraprastha Bhawan, I.P. Estate, New Delhi-110002
दूरभाष / Tele.: 011-23378473, फैक्स / Fax: 011-23378432, 011-23370871
E-mail : mabnewdelhi1@cag.gov.in



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE STATE TRADING CORPORATION OF INDIA LTD. FOR THE YEAR ENDED 31 MARCH 2018

The preparation of consolidated financial statements of THE STATE TRADING CORPORATION OF INDIA LTD. for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 10 August 2018.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of THE STATE TRADING CORPORATION OF INDIA LTD. for the year ended 31 March 2018 under section 143(6) (a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of THE STATE TRADING CORPORATION OF INDIA LTD. and its subsidiary STCL LIMITED for the year ended 31 March 2018. Further, section 139(5) and 143(6) (a) of the Act are not applicable to five Joint Venture Entities/Associates (list enclosed) being private entities for appointment of their Statutory Auditors and for conduct of supplementary audit. Accordingly, Comptroller & Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143 (6)(b) of the Act.

For and on behalf of the
Comptroller and Auditor General of India

N. Munshi

(Nandana Munshi) Director General
O/o Principal Director of Commercial Audit
& Ex-officio Member Audit Board-I,
New Delhi

Place: New Delhi
Dated: 28 September 2018

List of Joint Venture Entities/Associates which are private entities
NSS SATPURA AGRO DEVELOPMENT COMPANY LIMITED
INDO PIRIN GLOVES LIMITED
RICHFIELD AQUATECH LIMITED
BLUEGOLD MARITECH (INTERNATIONAL) LIMITED
NATIONAL TANNERY CO LTD

BRANCHES/SUB BRANCHES

(From 01-04-2017 to 31-03-2018)

BRANCHES

Agra

The State Trading Corporation of India Ltd.
Bharatpur House, Civil Lines, M.G. Road,
Agra - 282002, INDIA
Phone : +91-562-2521224, 2529212
Fax : + 91-562-2850622
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No. 7/A, Nandini Layout,
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E-mail : bangalore@stclimited.co.in

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E-mail : bhopal@stclimited.co.in

Chennai

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Fax : + 91-44-22501788, 22505891
E-mail : chennai@stclimited.co.in

Cochin

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Fax : + 91-484-2322909
E-mail : cochin@stclimited.co.in

Hyderabad

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Fax : + 91-40-23236786
E-mail : hyderabad@stclimited.co.in

Jalandhar

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E-mail : jalandhar@stclimited.co.in

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Fax : + 91-33-22488165
E-mail : kolkata@stclimited.co.in

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301 to 314, 3rd Floor, 'C' Wing, Trade World,
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Lower Parel (West),
Mumbai-400 013, INDIA
Phone : +91-22-24919656, 24954937
Fax : + 91-22-24902411, 24955264
E-mail : mumbai@stclimited.co.in

SUB- BRANCHES

Pondicherry

(Under STC Chennai)
The State Trading Corporation of India Ltd.
15, Jayanagar, 1st Floor,
3rd Street, Reddiarpalayam,
Pondicherry - 605010, INDIA

Coimbatore

(upto 30-11-2017)
(Under STC Chennai)
The State Trading Corporation of India Ltd.
Door No.25-A, Ground Floor,
Bhuvneshwari Nagar, Venkita puram,
Coimbatore -25 India

Gandhidham

(upto 06-08-2018)
(Under STC Ahmedabad)
The State Trading Corporation of India Ltd.
C-4, Plot No.330, Ward 12-B,
Gandhidham (Kutch)-370201, INDIA
Phone : 91-2836-226369
Fax : 91-2836-227560
Email : kandla@stclimited.co.in

Guntur

(upto 31-12-2017)
(Under STC Hyderabad)
The state Trading Corporation of India Ltd.
Door No.4-8-445, 5th Lane,
Naidupet, Koritipadu, Guntur -522007
E-mail: guntur@stclimited.co.in

Silvassa

(upto 21-12-2017)
(Under STC Mumbai)
The State Trading Corporation of India Ltd.
Shop No.9, Building A-1,
Shivaji Park, Amli, Silvassa,
Dadar & Nagar Haveli- 396230



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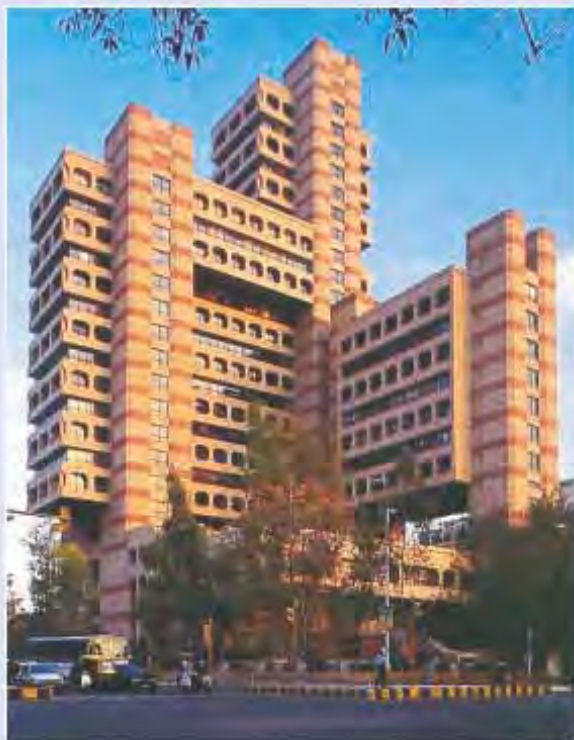
THE STATE TRADING CORPORATION OF INDIA LIMITED
(A Government of India Enterprise)

(CIN:L74899DL1956GOI002674)

Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-110 001

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E-mail : co@stclimited.co.in **Website :** www.stclimited.co.in



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