

Annual Report

2018-19



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

VISION



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



**ANNUAL REPORT
2018-19**



THE STATE TRADING CORPORATION OF INDIA LIMITED

REGISTERED & CORPORATE OFFICE

(CIN: L74899DL1956GOI002674)

Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-110001

Tel.: #011-23313177, Fax #011-23701123, 23701191

Email: co@stclimited.co.in Website: www.stclimited.co.in

BOARD OF DIRECTORS

CMD AND FUNCTIONAL DIRECTORS

Shri Rajiv Chopra, Director (Marketing) [Addl. Charge of CMD]

Shri Sanjeev Kumar Sharma, Director (Personnel)

Shri Umesh Sharma, Director (Finance),MMTC with Addl. Charge of STC

Shri Prasanta Kumar Das, Director (Marketing) (upto 31.03.2019)

Shri Ashwani Sondhi, Director (Marketing) MMTC with Addl. Charge of STC (from 01.04.2019 upto 24.07.2019)

Shri N.A.N. Jeyakumar, Director (Marketing) (from 12.06.2019)

PART-TIME OFFICIAL DIRECTORS

(GOVERNMENT NOMINEES)

Shri Sunil Kumar, AS, Dept. of Commerce (from 21.10.2017)

Shri Subhash Chandra Pandey, SS&FA, Dept. of Commerce (from 27.03.2018 upto 30.06.2019)

PART-TIME NON-OFFICIAL DIRECTORS

(INDEPENDENT DIRECTORS)

Dr. Amitabh Rajan (from 14.02.2017)

Shri Mohan Lal Pareek (from 14.02.2017)

Ms. Bharathi Magdum (from 24.03.2017)

Shri Bharatsinh Parmar (from 31.03.2017)

Dr. N.Sundaradevan (from 03.08.2016 upto 14.06.2019)

Dr.K.Rangarajan (from 03.08.2016 upto 14.06.2019)

Shri Sunil H. Trivedi (from 03.08.2016 upto 14.06.2019)

Shri Arvind Gupta (from 03.08.2016 upto 14.06.2019)

COMPANY SECRETARY

Shri Deepak C S

REGISTRAR & SHARE TRANSFER AGENT

MCS Shares Transfer Agent Limited

F-65, 1st Floor, Okhla Industrial Area,

Phase-I, New Delhi 110020

Tel: 011-41406150

E-mail: admin@mcsregistrars.com

STATUTORY AUDITORS

M/s. Thakur Vaidyanath Aiyar & Co

No. 221-223, Deen Dayal Marg,

New Delhi 110002

Tel: 011- 2323 6958

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

IDBI Bank

SECRETARIAL AUDITORS

M/s. P.C. Jain & Co,

Company Secretaries,

2382, 1st Floor, Sector-16

Faridabad-121002



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BOARD'S REPORT

The Board of Directors presents the 63rd Annual Report on the business and operations of the Company and its Audited Statement of Accounts for the year ended March 31, 2019 together with the Auditors' Report and Comments on the Accounts by the Comptroller and Auditor General (CAG) of India.

FINANCIAL RESULTS

The performance of the Company during the year 2018-19 vis-à-vis the previous year is summarized in the table below:

	(₹ Crore)	
TURNOVER	2018-19	2017-18
Exports	11	266
Imports	8437	10216
Domestic	445	343
Grand Total	8893	10825
FINANCIALS		
Profit Before Tax	(897)	32
Profit After Tax	(881)	38
Net Worth	(833)	46

OPERATIONS AND BUSINESS PERFORMANCE

During the year 2018-19, the Company achieved a total turnover of ₹8,893 Crore as against ₹10,825 Crore achieved in the previous year. The decline in turnover was mainly due to lower import of bullion as well as inability of the Company to undertake trade transactions due to non-availability of working capital. During the year, the Company continued to focus on undertaking business with central/state government departments and their entities, where there is no involvement of STC's funds.

The Company reported a net loss (after tax) of ₹881 Crore during 2018-19 as compared to net profit (after tax) of approx ₹38 Crore reported during the year 2017-18. The net loss reported during the year was mainly due to write-offs amounting to ₹626 Crore approx made in the books of accounts in respect of GSPI/GSHL and expenses of approx ₹86 Crore booked towards dues payable to M/s. Helm Dugemittel as per the Arbitration award in the matter relating to import of urea on Govt. behalf.

SETTLEMENT OF OUTSTANDING DUES WITH THE BANKS

STC is facing severe liquidity crisis as all the lender banks have reported STC's account as NPA due to non-payment of interest on the banking limits availed by the Company. Therefore, at present, the Company has no banking limits, funded or non-funded, available with it.

During the year 2018-19, pursuant to Hon'ble Supreme Court Order dated 06.12.2018, the Company recovered an amount of ₹1400 Crore from one its major debtors, namely, GSHL/GSPI. With a view to settle the outstanding dues of banks, the Company had submitted a One Time Settlement (OTS) proposal to the lender banks. After a series of meetings held with the Joint Lenders Forum (JLF) of banks and discussions/ meetings held at various other platforms, the broad terms of settlement have been finalised with the lender banks. Out of the total dues of ₹1906 Crore approx. (as on 31.12.2018) crystallized with the lender banks, an amount of ₹1100 Crore has already been paid by STC to the lender banks. The balance amount is also proposed to be paid partly through sale of its immovable properties and partly out of the trade receivables to be realized by the Company.

In the meantime, the lender banks had filed petitions against STC in DRT/NCLT and the proceedings are going on.

The Company is in the process of entering into Master Restructuring Agreement (MRA) with the lender banks towards settlement of their dues.

DIVIDEND

The Board of Directors has not recommended any dividend for the year 2018-19 in view of current liquidity crunch, difficulties in borrowing adequate funds from banks for its day-to-day working capital requirement and net loss of approx. ₹881 Crore reported by the Company during the year 2018-19.

(OTHER EQUITY) RESERVES

An amount of ₹870.82 Crore (including revaluation reserve of ₹884.60 Crore) was available in the other equity of the company as on 01.04.2018. An amount of (-) ₹879.46 Crore (PAT : (-) ₹881.08 Crore and other comprehensive income ₹1.62 Crore has been transferred to retained earnings. Accordingly, as on 31st March, 2019, the other equity stood at (-) ₹8.64 Crore.

HUMAN RESOURCE

Manpower

STC had 441 employees on its rolls as on 31.03.2019, which included 305 Managers and 136 Staff.

Recruitments

During the year, the Company recruited 2 professionals - Company Secretary and Assistant Company Secretary.

Industrial Relations

During the year 2018-19, the company continued to maintain harmonious industrial relations. No man days were lost. 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 implementing the Government of India's directives and guidelines for SC/ST/OBC/PWD issued from time to time with regard to recruitment of SC/ST/OBC and differently abled candidates.

Human Resource Development

During the year 2018-19, due to precarious financial position of the company, no budget was allocated for Training and Development. However, the Company took initiatives to nominate employees for various training programmes which had no financial implications.

In all, 10 employees were nominated to attend trainings in various domains wherein 21 man days were dedicated.

OFFICIAL LANGUAGE

In line with the requirements of the Official Language Policy of the Government of India, continuous efforts are being made by the Company for implementation of Official Language Hindi. For this purpose, the employees are being provided necessary training through Hindi workshops. Apart from this, the Official Language Incentive Scheme is in place with the aim of promoting the use of Hindi language in the Company.

In view of most of the official work being done in computers in today's era of technology, employees are being trained to use Hindi and the related e-tools in the day-to-day work of the company. The Company's in-house Hindi magazine 'Pragati-Path' has been published as e-magazine. Like every year, this year also 'RajBhasha Pakhwada' was organized in September 2018, in which the employees took part enthusiastically. On the occasion of Hindi Diwas, the winners of various Hindi competitions were awarded on 14th September 2018. In addition, the Official Language Shield was provided to the best performing Division and Branch Office of the company in the field of Official Language. Thus, as a result of various efforts made in the direction of implementation of the official language, the use of Hindi in official work has been progressively increasing. In the last meeting of Hindi Advisory Committee of the Department of Commerce on 9th January 2019, the Company was awarded the Official Language Shield (Second Prize), by the Department of Commerce, Ministry of Commerce & Industry, GOI

VIGILANCE ACTIVITIES

Vigilance administration in any organization is an integral function like any other function of management and ensures functioning of other segments in an efficient way. It comprises of preventive and punitive anti-corruption measures, which include detecting irregularities, analyzing and finding out reasons for irregularities and making effective system improvements to curb them. The vigilance division played important role in ensuring transparency, fair play, objectivity and ethics in public affairs in the functioning of the Company.

Steps were taken to expedite timely completion of investigations and disciplinary proceedings as per CVC's instructions.

Measures were also taken for systemic improvements in the areas of record management and timely payment of bills.

During the year, the vigilance team of the company inspected the Branch Office, Mumbai. During the visit, CTE Type and surprise inspections were also carried out to check the implementation of instructions and guidelines issued by the Company from time to time.

The Company observed Vigilance Awareness Week 2018 from 29th October 2018 to 3rd November 2018 on the theme "Eradicate Corruption - Building a New India" at its Corporate Office and Branch Offices. The outreach activities focussing on inculcating greater awareness on corruption and anti-corruption measures were also held in many schools. The school students, employees of the Company and citizens were encouraged to take E-pledge/Integrity pledge to fight corruption.

An interactive workshop/seminar on "Prevention of Frauds" was organised on 1st November 2018 for the executives of the Company.

With a view to sensitize employees about the critical aspects to be kept in view while processing trade financing related matter and to disseminate information about new developments in the area of procurements, trade and vigilance, an In-house quarterly e-newsletter "NAI DISHA" containing articles on vigilance, ethics, case studies, CVC circulars etc. was circulated through e-mail to all employees of STC, C.O. and Branches.

During the year 2018-19, a total of 83 Annual Property Returns have been scrutinized (20% as per DPE Guidelines) & vigilance clearance has been given to 309 employees. Further, 6 cases of disciplinary proceedings have been disposed off during the year 2018-19 and action on remaining 16 cases is in progress as on 31.03.2019.

PERFORMANCE OF SUBSIDIARY COMPANY

STCL Limited (Formerly, Spices Trading Company Limited)

In view of extraordinary losses suffered by STCL leading to erosion of its net worth and 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. As a result of the above development, no business operations were undertaken by STCL during the year.

The company incurred a loss of ₹2 Crore during 2018-19 mainly on account of the establishment expenses and had a negative net worth of ₹4,563 Crore as on 31.03.2019.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As per the requirement of Regulation 34(2) (e) and Schedule V of the SEBI (Listing Obligation and Disclosure Requirements)

Regulations 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 given as Annexure-II. The same is also available on the website of the Company: www.stclimited.co.in.

ANTI SEXUAL HARASSMENT POLICY

The Company has laid down 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 has been set up to redress complaints received in this regard. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No Sexual Harassment complaints were received during the year 2018-19.

RIGHT TO INFORMATION

In order to promote transparency and accountability, an appropriate mechanism has been put in place in the Company to provide information to citizens under the provisions of Right to Information (RTI) Act, 2005. For this purpose, the Company has, in line with the RTI Act, nominated Central Public Information Officers at all its Divisions at New Delhi and at Branch Offices across the country. For the convenience of public, a coordinating CPIO has also been nominated. First Appellate Authority has also been nominated for considering the appeals of information seekers against the orders of Public Information Officers.

DEPOSITS

The Company did not accept any public deposits during the year under review. Therefore, the requirements of Chapter V of the Companies Act, 2013 are not applicable to it.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year, the Company did not provide/give 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 did not enter into any contracts or arrangements with related parties as referred to in sub-section (1) of section 188 of the Companies Act, 2013, during the year under review.

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 2017-18, the Company had earned a net profit of ₹32.25 Crore, however, the average net profit

of immediately preceding three financial years is Negative, and thus STC was not qualified to allocate CSR budget for the year 2018-19.

Though, an unutilised amount of ₹0.75 lakh allocated for Emergency Needs was available from previous year, the same could not be utilised as need did not arise. There is also an amount of ₹0.65 lakh accrued from completed projects undertaken in the previous years. As on 01.04.2019, the unspent CSR budget of ₹1.40 lakh is available and it shall be utilised as per Section 135 of the Companies Act, 2013 in the next financial year 2019-20.

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 amendment of Public Procurement Policy for Micro & Small Enterprises (MSEs) Order, 2012 implementation notified by Ministry of Micro, Small and Medium Enterprises vide their Order dated 9.11.2018, the Company had set an annual target of making a minimum 25 percent of its annual procurement of goods and services from MSEs including 4 percent from MSEs owned by SC or ST entrepreneur and 3% by women entrepreneur.

During the year 2018-19, the Company made procurement worth ₹2.14 Crore from MSEs, which accounted for 63.79% of total value of annual procurement made by STC of goods produced and services being rendered by MSEs as against 25% target specified in the guidelines. Out of this, procurement from SC/ST and women entrepreneur was ₹87 lakh i.e 40.77% & ₹54 lakh i.e 25.19 % as against a sub-target of 4% and 3% respectively.

During the year 2019-20 also, the Company shall strive to achieve the annual procurement target of 25 percent of goods and services produced/rendered by MSEs, including 4 percent from MSEs owned by SC or ST entrepreneur and 3% by women 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 Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, comply in all material aspects with the relevant provisions of the Companies Act, 2013 and other accounting principles generally accepted in India.

The financial statements have been prepared under the historical cost convention on accrual basis except certain financial assets

and liabilities which are measured at fair value of amortized cost at the end of each financial year. Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses and actual results may defer from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates wherever necessary are recognized prospectively.

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 2018-19, 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 and necessary directions are issued, wherever required.

NUMBER OF MEETINGS OF THE BOARD

During the financial year 2018-19, nine (9) 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 DIRECTORS

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 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ending 31.03.2019.

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., the Ministry of Commerce & Industry, Government 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 to any remuneration or sitting fees. The part-time non-official (Independent) Directors are paid sitting fee for each Board / Committee meetings attended by them as approved by the Board from time to time and as per the limits laid down in Companies Act, 2013 and the related rules.

The eligibility criterion for appointment of Independent Directors is laid down by the Department of Public Enterprises, Government of India which is as per the relevant provisions of Companies Act and the SEBI Regulations. The positive attributes expected to be exhibited by the Independent Directors are conveyed to them on their appointment and a declaration in the prescribed format is obtained from them every year to confirm that they continue to qualify as Independent Directors.

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

As per Section 134(3)(p) of the Companies Act, 2013, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors should form part of the Board's Report of every listed Company. Further, Regulation 17(10) & 25(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Code for Independent Directors pursuant to Section 149 (8) of the Companies Act, 2013 require that performance evaluation of Independent Directors also be done.

However, the Ministry of Corporate Affairs vide its notification No. GSR 463(E) dated June 5, 2015 exempted Government Companies from certain provisions of the Companies Act, 2013, which include, *inter-alia*, sub section (6) of Section 149, sub sections (2), (3) & (4) of Section 178 regarding appointment, performance evaluation and remuneration. As per the said notification, Section 134(3)(p) regarding performance evaluation of directors also shall not apply to Government Companies in case the directors are evaluated by the Ministry or department of the Central Government which is administratively in charge of the Company.

The appointment of Chairperson, Functional Directors, Part-time Official Directors as well as Part-time non-Official Directors (Independent Directors) on the Board of STC is made by the Government of India through the Ministry of Commerce & Industry. Further, the terms and conditions of appointment as well as tenure of all directors are also decided by the Government and there is a procedure for evaluation of performance of Chairperson and Functional Directors by the Administrative Ministry. Further, the performance of the Company and Board of Directors is also evaluated by the Department of Public Enterprises vis-à-vis the MOU entered into with the Government of India.

RISK MANAGEMENT POLICY

A Risk Management Framework is in place in the Company to add objectivity to the process of risk assessment while taking a decision on accepting or rejecting a trade proposal. 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.

Further, the company has implemented an Anti-Fraud Policy in order to enforce controls and to aid 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), Government of India, a Report on Corporate Governance for the year 2018-19 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 practising Company Secretary in this regard, forming part of this Report, is placed at Annexure -V.

The Company has got its Secretarial Audit for the financial year ended 31st March, 2019 conducted by M/s P.C. Jain & Co., practising Company Secretaries. They have not made any observations in their report warranting any explanation on the part of the Management or the Board. The report, 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 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
- Code of Conduct regarding prohibition of Insider Trading and Code of Fair Disclosure and Conduct
- 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 was held on 11.02.2019 at the registered office of the Company.

COST RECORDS

The Central Government has not prescribed the maintenance of cost records for the Company under Section 148(1) of the Companies Act, 2013.

STATUTORY AUDITORS

M/s Thakur Vaidyanath Aiyar & Co., Chartered Accountants were appointed as Statutory Auditors of the company for the FY 2018-19 by Comptroller & Auditor General of India (C&AG). Their report, alongwith replies of management is attached and form 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 2018-19 are attached and form part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under 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, 2019, 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 2018-19;
- (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, 2019;
- (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 except the qualified opinion of independent auditor's report at Annexure- C. The management replies of these qualifications are covered in the Annual Report.
- (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, the following changes have taken place in the Board of Directors of the Company:

1. Pursuant to Office Order No. A-12022/16/2013-IV dated 28.03.2019 issued by the Government of India, Ministry of Commerce & Industry, Department of Commerce, (MOC) Shri Ashwani Sondhi, Director (Marketing), MMTC was assigned the additional charge of the posts of Director (Marketing), STC in addition to his existing charge. Accordingly, Shri Ashwani Sondhi assumed the charge of the posts of Director (Marketing) STC w.e.f 01.04.2019. He was appointed as an additional Director by the Board of Directors w.e.f. the said date.
2. Pursuant to Office Order No. A-12022/13/2018-E. IV dated 12th June, 2019 issued by the Government of India, Ministry of Commerce & Industry, Department of Commerce, Shri N. A. N. Jeyakumar was appointed as Director (Marketing), STC. Accordingly, Shri N. A. N. Jeyakumar assumed the charge of Director (Marketing) w.e.f 12.06.2019. He was appointed as an additional Director by the Board of Directors w.e.f. the said date. As per Section 161 other applicable provisions of the Companies Act, 2013, and Article 79(4) of the Articles of Association of the company, Shri Jeyakumar will hold office up to the next Annual General Meeting of the Company and is eligible for appointment by the Company at that meeting as a Director.

Vide an order dated 23.07.2019, MoC has conveyed that Shri N. A. N. Jeyakumar would hold the additional charge of the post of Director (Marketing). Accordingly Shri Ashwani Sondhi ceased to be a director of the Company w.e.f. 24.07.2019.

The Board welcomes the new Director and hopes that the Company shall immensely benefit from his rich and varied experience.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri Rajiv Chopra, Director (Marketing) with additional charge of CMD and Shri Umesh Sharma, Director (Finance), MMTC with additional charge of Director (Finance), STC would 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 63rd Annual General Meeting of the Company.

Cessation

1. On attaining the age of superannuation, Shri P. K. Das, Director (Marketing) retired from the services of the Company on 31.03.2019 pursuant to Office Order dated 25th March 2019 issued by the Government of

India, Ministry of Commerce & Industry, Department of Commerce and also ceased to be a director with effect from that date.

The Board appreciates the efforts and valuable contribution put in and guidance provided by Shri P.K. Das during his tenure as Member of the Board.

2. On attaining the age of superannuation, Shri S. C. Pandey, SS&FA, DoC retired from the services on 30.06.2019 and consequently ceased to be a Director (Government Nominee) of the Company w.e.f. that date.

The Board appreciates the valuable guidance and support provided by Shri S. C. Pandey during his tenure as a member of the Board.

3. Shri Arvind Gupta, Dr. N. Sundaradevan, Dr. K. Rangarajan and Shri Sunil Trivedi ceased to be independent directors of the Company on 14.06.2019 on completion of the tenure. They had been appointed by the Department of Commerce, Ministry of Commerce & Industry, Government of India vide order No. 14/13/97-FT (ST) dated 15.06.2016 for a period of three years.

The Board places on record its gratitude and appreciation for the valuable guidance and co-operation provided by the above persons as Independent Directors of the Company.

4. W.e.f. 24.07.2019, Shri N. A. N. Jeyakumar assumed the additional charge of the Director (Marketing) pursuant to an order of the Ministry of Commerce & Industry and accordingly Shri Ashwani Sondhi ceased to be a director of the Company w.e.f. that date.

The Board appreciates the contribution made by Shri Ashwani Sondhi during his tenure as a member of the Board.

5. Ministry of Commerce & Industry, Department of Commerce vide its Order dated 17th August 2018 conveyed non-extension of tenure of Shri Khaleel Rahim, former Chairman & Managing Director, STC who was already placed under suspension pursuant to MoC Order dated 18.11.2016, after completion of his tenure on 11.08.2018. He ceased to be a director with effect from that date.

KEY MANAGEMENT PERSONNEL

The Company has nominated its CMD, all functional Directors, Company Secretary and CFO as Key Management Personnel (KMP) pursuant to Section 203 of the Companies Act, 2013. Details regarding appointments of functional directors are given elsewhere in this report. No functional director resigned during the year.

The details regarding appointments or resignations of CFO and Company Secretary are as follows:

Ms. Kamlesh Kumari (ACS-24616) resigned as Company Secretary & KMP during the year under review and Shri Pankaj Kumar (ACS-15849) was appointed as Company Secretary &

KMP w.e.f. 23.07.2018. Subsequently Shri Deepak C S (FCS-5060) was appointed as Company Secretary & KMP w.e.f. 13.11.2018 in place of Shri Pankaj Kumar.

Smt. Rooma Nagrath, GM (Finance) was appointed as CFO & KMP w.e.f. 21.12.2018 in place of Shri S. K. Singhal, GM (Finance).

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

CODE OF CONDUCT

Pursuant to the requirements of Regulation 17(5) and Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and DPE guidelines on Corporate Governance for CPSEs, the Board Members and Senior Management Personnel except one Personnel have affirmed compliance to the Code of Conduct for the financial year ending 31st March 2019.

ACKNOWLEDGEMENT

The Board of Directors places on record its appreciation of the continued patronage and the confidence posed by business associates and customers during the year.

The Board expresses 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.

For and on behalf of the Board of Directors

Sd/-

(Rajiv Chopra)

Chairman & Managing Director

(Additional Charge)

DIN 06466326

New Delhi

Date: 09.08.2019

MANAGEMENT DISCUSSION & ANALYSIS REPORT

WORLD ECONOMIC OVERVIEW

Global economy was projected to grow at 3.9 percent in 2018. One year later, much has changed: the escalation of US-China trade tensions, macroeconomic stress in Argentina and Turkey, disruptions to the auto sector in Germany, tighter credit policies in China, and financial tightening alongside the normalization of monetary policy in the larger advanced economies have all contributed significantly to weakened global expansion. Global growth, which had peaked at about 4 percent in 2017 declined to 3.6 percent in 2018 and is projected to decline further to 3.3 percent in 2019. The outlook is very challenging for many countries with considerable uncertainties in the short term especially as advanced economy growth rate converge toward their modest long-term potential.

Growth in Emerging Markets and Developing Economies is expected to stabilise at around 4.4 percent in 2019 as against at 4.5 percent in 2018 and little bit moderate to 4.8 percent in 2020. In China, necessary domestic regulatory tightening to rein in debt, constrain shadow financial intermediation, and place growth on a sustainable footing contributed to slower domestic investment, particularly in infrastructure. As a result, China's growth declined from 6.8 percent in the first half of 2018 to 6.0 percent in the second half of the year. The resulting weakening in import demand appeared to have impacts on trading partner exports in Asia and Europe. Among the ASEAN-5 economies (Indonesia, Malaysia, Philippines, Thailand, Vietnam), broadly stable growth is projected for the group, at 5.1 percent in 2019 and 5.2 percent in 2020 (compared with 5.2 per-cent in 2018).

Growth in advanced economies is projected to slow down from 2.2 percent in 2018 to 1.8 percent in 2019 and 1.7 percent in 2020. The estimated growth rate for 2018 and the projection for 2019, respectively, are 0.2 percentage point and 0.3 percentage point lower than in the previous forecasts. Growth in the euro area is set to moderate from 1.8 percent in 2018 to 1.3 percent in 2019 and 1.5 percent in 2020. Growth rates have been marked down for many economies, notably Germany (due to soft private consumption, weak industrial production following the introduction of revised auto emission standards and subdued foreign demand); Italy (due to weak domestic demand, as sovereign yields remain elevated); and France (due to the negative impact of street protests).

United States growth is projected to slowdown from 3.4 percent in 2018 to 2.3 percent in 2019 and is expected to soften further to 1.9 percent in 2020. In France also growth is expected to slightly slowdown from 1.5 percent in 2018 to 1.3 percent in 2019 and 1.4 percent in 2020. In Germany, growth is expected to remain declined from 1.5 percent in 2018 to 0.8 percent in 2019 and 1.4 percent in 2020. United Kingdom

growth is projected to slowdown from 1.4 percent in 2018 to 1.2 percent in 2019 and slightly moderate to 1.4 percent in 2020. Japan's economy is set to grow from 0.8 percent in 2018 to 1.0 percent in 2019.

OVERVIEW OF INDIAN ECONOMY

Despite elevated crude oil prices and several global headwinds, Indian economy is estimated to achieve a growth of 7.2 percent in 2018-19, higher as compared to 6.7 percent recorded in 2017-18. The economy has achieved high growth amidst significant improvements in macro-economic stability, mainly on the strength of ongoing structural reforms, fiscal discipline, efficient delivery of services and financial inclusion. India is emerging as an important player in the world economy as reflected in World Bank's Ease of Doing Business 2019 Report, which improves India's ranking by 23 positions to 77th rank in 2018.

The Gross Value Added (GVA) at constant basic prices grew at 7.0 percent in 2018-19, as compared to 6.5 percent achieved in 2017-18. The growth in agriculture, industry and services sector was 3.8 percent, 7.8 percent and 7.3 percent respectively in 2018-19. There has been a noticeable improvement in fixed investment and exports of goods and services. The growth of fixed investment has increased from 7.6 percent in 2017-18 to 12.2 percent in 2018-19. This is expected to push up the fixed investment rate, which had remained unchanged over the previous three years. Export of goods and services is estimated to grow at 12.1 percent in 2018-19, as compared to 5.6 percent in 2017-18. The share of total consumption expenditure in GDP is around 70 percent.

Inflation based on the Consumer Price Index Combined (CPI-C) averaged 3.7 percent during 2018-19. There has been a continuous moderation in CPI-C inflation since July 2018. It has declined to 2.2 percent in December 2018 from 2.3 percent in November 2018. CPI-C inflation was 3.6 per cent in 2017-18 and 4.5 per cent in 2016-17. The Government, in consultation with RBI has fixed the inflation target of 4 percent with tolerance level of (+/-)2 percent for the period beginning from 5th August 2016 to 31st March 2021.

The Eight Core Industries comprise 40.27 per cent of the weight of items included in the Index of Industrial Production (IIP). The combined Index of Eight Core Industries stood at 145.0 in March, 2019, which was 4.7 per cent higher as compared to the index of March, 2018. Its cumulative growth during April to March, 2018-19 was 4.3 percent. Coal production increased by 7.3 per cent during 2018-19 over previous year. Crude Oil production declined by 4.1 percent during 2018-19 over the previous year. Fertilizer production increased by 0.03 percent during 2018-19 over previous year. Steel

production increased by 4.7 percent during 2018-19 over previous year.

In 2018-19, value of India's exports was US\$ 331.02 billion as against US\$ 303.52 billion, registering a positive growth of 9.06 percent over the previous year. Non-petroleum and Non Gems & Jewellery exports during 2018-19 were valued at US\$ 243.02 billion as compared to US\$ 224.52 billion in 2017-18, registering an increase of 8.24%. Imports for 2018-19 were US\$ 507.44 billion as against US\$ 465.58 billion, registering a positive growth of 8.99 per cent over the previous year. Oil imports during 2018-19 were valued at US\$ 140.47 billion, which was 29.27 per cent higher than the oil imports of US\$ 108.66 billion in the previous year. Non-oil and Non-gold imports during 2018-19 were valued at US\$ 334.15 billion, which was 3.37 per cent higher than the level of such imports in 2017-18.

The trade deficit for 2018-19 estimated at US\$ 95.85 billion, as compared to USD 86.05 Billion in 2017-18.

According to the estimates released by Department of Industrial Policy and Promotion (DIPP), the total FDI investments in India during 2018-19 stood at US\$ 64.37 billion, as against US\$ 60.97 billion in the previous year indicating that government's effort to improve ease of doing business and relaxation in FDI norms is yielding results. Data for 2018-19 indicates that the service sector attracted the highest FDI equity inflow of US\$ 9.15 billion, followed by computer software and hardware - US\$ 6.41 billion, trading- US\$ 5.16 billion and telecommunications- US\$ 2.66 billion. During 2018-19, India received the maximum FDI equity inflows from Singapore (US\$ 16.22 billion), followed by Mauritius (US\$ 8.08 billion), Netherlands (US\$ 3.83 billion), USA (US\$ 3.13 billion), and Japan (US\$ 2.96 billion).

Foreign exchange reserves stood at US\$ 411.90 billion as on 30th March 2019, as compared to US\$ 424.36 billion at end-March 2018.

OPPORTUNITIES AND THREATS

While 2019 started out on a weak footing, a pickup is expected in the second half of the year. This pickup is supported by significant policy accommodation by major economies made possible by the absence of inflationary pressures despite closing output gaps. The US Federal Reserve, in response to rising global risks, paused interest rate increases and signalled no increases for the rest of the year. The European Central Bank, the Bank of Japan, and the Bank of England have all shifted to a more accommodative stance. China has ramped up its fiscal and monetary stimulus to counter the negative effect of trade tariffs. Furthermore, the outlook for US-China trade tensions have improved as the prospects of a trade agreement is taking shape. These policies responses have helped reverse the tightening of financial conditions to varying degrees across countries.

Emerging markets have experienced resumption in portfolio flows, a decline in sovereign borrowing costs, and a strengthening of their currencies relative to the dollar. While the improvement in financial markets has been rapid, those in the real economy have yet to materialize. Measures of industrial production and investment remain weak for most advanced and emerging economies, and global trade has yet to recover.

If the downside risks do not materialize and the policy support put in place is effective, then global growth, which is projected to decline to 3.3 percent in 2019 will return to 3.6 percent in 2020. This return is predicated on a rebound in Argentina and Turkey and some improvement in a set of other stressed emerging market and developing economies, and therefore subject to considerable uncertainty. If, however, any of the major risks materialize, then the expected recoveries in stressed economies, export-dependent economies, and highly indebted economies may not occur. In that case, policymakers will need to adjust. Depending on circumstances, this may require synchronized, country-specific policy stimulus across economies, complemented by accommodative monetary policy. Synchronization can make fiscal stimulus more effective through signaling effects that raise household and business confidence, and through the mitigation of leakages via imports. Finally, adequate resources for multilateral institutions remain essential to retain an effective global safety net, which would help stabilize the global economy.

Beyond 2020, growth will stabilize at around 3½ percent, bolstered mainly by growth in China and India and their increasing weights in world income. Growth in advanced economies will continue to slow gradually as the impact of US fiscal stimulus fades and growth tends toward the modest potential for the group, given ageing trends and low productivity growth.

India's economy is projected to grow at 7.3 percent in 2019 and 7.5 percent in 2020, up from 7.1 percent in 2018. The confidence in the Indian economy has improved on account of various policy measures taken up by the government.

The reform measures undertaken in 2018-19 are expected to strengthen and reinforce the growth momentum. Various economic reforms undertaken in the year 2018-19, inter-alia, include: push to infrastructure development; historic support and outreach programme for the Micro, Small and Medium Enterprises; enhanced minimum support prices for all kharif and rabi crops for 2018-19 season, lower income tax for companies with annual turnover up to ₹250 Crore and further measures to improve the ease of doing business. Important macro-economic challenges faced by the economy are global headwinds like rising trade tensions and geo-political uncertainties in some parts of the world, and financial health of banking sector. However, medium-term macro outlook remains

bright in light of the structural reforms undertaken, revival of investment rate, decline in crude oil prices and stability in exchange rate.

The prospects for Indian economy for the year 2019-20 need to be assessed in the light of emerging global and domestic developments. The global economy faces certain challenges due to the emerging trade tensions. There is a 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. The nominal growth of the economy is expected to be 11.5 percent in the financial year 2019-20.

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

STC's PERFORMANCE

During the year 2018-19, the Company achieved a total turnover of ₹8,893 Crore as against ₹10,825 Crore achieved in the previous year. The decline in turnover was mainly due to lower imports of bullion as well as inability of the Company to undertake trade transactions due to non-availability of working capital. During the year, the Company continued to focus on undertaking business with central/state government departments and their entities, where there is no involvement of STC's funds.

The performance of the company during the year 2018-19 vis-a-vis the previous year is summarized below:

(₹ Crore)

TURNOVER	2018-19	2017-18
Exports	11	266
Imports	8437	10216
Domestic	445	343
Grand Total	8893	10825
FINANCIALS		
Profit Before Tax	(897)	32
Profit After Tax	(881)	38
Net Worth	(833)	46

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Details of significant changes in key financial ratios are given as under:

S.No.	Particulars	2018-19	2017-18	Variation (%)	Remarks
i.	Debtors turnover	4.17	3.46	20.52	Reduction in debtors due to settlement.
ii.	Inventory turnover	-	-		There was no inventory on the closing date.
iii.	Interest Coverage Ratio	(4.77)	1.19	(500.84)	Reduction in profitability
iv.	Current Ratio	0.51	1.02	(50.00)	Reduction in current assets due to settlement with receivables at loss
v.	Debt Equity Ratio	25.56	2.22	1051.35	Reduction in equity due to settlement with trade receivables with consequential write off of bad debts.
vi.	Operating Profit Margin (%)	(3.28)	(2.76)	18.84	Due to lower trade margin.
vii.	Net Profit Margin	(9.88)	0.37	(2770.27)	Reduction in profit due to write off of bad debts and other operating losses
viii.	Return on Net Worth	1.06	0.88	20.45	-

Note: During the year 2018-19, a loss of ₹626.18 Crore has been booked by the Company in view of Supreme Court judgement in the matter relating to M/s. GSPI, due to which there has been fluctuation in the ratios.

SEGMENT-WISE PERFORMANCE & OUTLOOK

Exports

The Company's exports fell from ₹266 Crore in 2017-18 to ₹11 Crore during 2018-19 mainly due to non-renewal of contract for export of steel plates/coils to Iran on account of (i) prevailing US sanctions on Iran, and (ii) ongoing NCLT proceedings regarding future ownership of the back-up supplier. However, efforts are being made to renew the contract by resolving the outstanding issues.

During the year, the Company undertook exports of agro pesticides worth ₹11 Crore to Iran.

The Company is making continuous efforts to increase its export trade. Accordingly, it has signed an MOU with the Trading Corporation of Bangladesh (TCB) for exports/imports of agro products on G-to-G basis.

Further, STC has been nominated as a nodal agency for undertaking exports of drugs & hospital/medical equipments to Bolivia and drugs to Chile for which MOUs are being finalized.

Imports

During the year 2018-19, the Company achieved an import turnover of ₹8,437 Crore as against ₹10,216 Crore in the year 2017-18. Though bullion continued to be the single largest item of import during 2018-19, the sales of bullion declined from ₹10,194 Crore during the year 2017-18 to ₹8,428 Crore during the year under review.

The Company also imported instruments/equipment worth ₹9 Crore on behalf of various state govt. departments/entities during the year 2018-19 as against import of only ₹2 Crore in the previous year.

Domestic sales

The domestic sales of the company amounted to ₹445 Crore. The major items of domestic sales were as under:

Edible Oils

During 2018-19, the Company continued to undertake 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. ₹223 Crore.

Pulses

The Company contracted for supply of pulses to Tamil Nadu State Civil Supplies Corporation Ltd. for distribution under PDS and made supplies worth approx. ₹134 Crore during the year.

Fertilizers

The Company continued to undertake distribution of fertilizers to tobacco growers / farmers in the state of Karnataka and supplied 28339 MT of fertilizers to various tobacco growers / farmers. The same yielded a turnover of ₹71 Crore during the year.

Besides above, the Company also sold instruments / equipment (₹6 Crore), Jaggery & spices (₹4 Crore), school bags (₹3 Crore),

brass scrap (₹3 Crore) and silver medallion (₹1 Crore) in the domestic markets.

PROFITABILITY

During 2018-19, the Company reported a net loss (after tax) of ₹881 Crore as compared to net profit (after tax) of approx ₹38 Crore reported during the year 2017-18. The net loss reported during the year was mainly due to write-offs amounting to ₹626 Crore approx. made in the books of account in respect of GSPI/GSHL and expenses of ₹86 Crore approx. booked towards dues payable to M/s. Helm Dugemittel as per the Arbitration Award in the matter relating to import of urea on behalf of GOI.

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 match 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. Also, with a view to expedite the process of recovery in respect of all overdues of less than ₹10 Crore through out-of court settlement, One Time Settlement Policy has been put in place by the company. During the year 2018-19, the company also

introduced policy for Debarring of Parties and Know Your Customer (KYC) policy.

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 ₹11,000 Crore has been fixed for the year 2019-20 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 continue to lay greater focus on developing business with central/state government departments and their entities during the year 2019-20.

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, 2019
(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-01123701098
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
e-mail: admin@mcsregistrars.com
Website: www.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:-

Sl. 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	94.87%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable section
1.	STCL Limited	U85110KA1982GOI005013	Subsidiary	100%	Section2(87)

IV. SHAREHOLDING 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	0.00	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	0.00	5,40,00,000	90.00	5,40,00,000	0.00	5,40,00,000	90.00	0.00
B.	Public Share holding									
1.	Institutions									
(a)	Mutual Funds	11,702	700	12,402	0.020	17,186	0	17,186	0.03	0.01
(b)	Banks/ FI	5,600	0	5,600	0.0093	15,929	0	15,929	0.03	0.021
(c)	Central Govt (IEPF)	-	-	-	-	13,535	0	13,535	0.02	0.02
(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		0							
(h)	Foreign Venture Capital Funds	-	-	-	-				-	-
(i)	Others	-	-	-	-				-	-
	Sub-total(B)(1):-	11,66,622	700	11,67,322	1.95	11,95,970	0	11,95,970	1.99	0.04
2.	Non-Institutions									
(a)	Bodies Corp.	6,66,326	0	6,66,326	1.11	5,85,610	0	5,85,610	0.98	(0.13)
(i)	Indian	-	-	-	-				-	-
(ii)	Overseas	-	-	-	-				-	-
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹2 lakh	39,72,522	19,442	39,91,964	6.653	39,51,154	9,608	39,60,762	6.60	(0.053)
(ii)	Individual shareholders holding nominal share capital in excess of ₹2 lakh	33,100	0	33,100	0.055	1,14,309	0	1,14,309	0.19	0.135

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	1,40,288	0	1,40,288	0.23	1,42,349	0	1,42,349	0.24	0.01
	Overseas Corporate Bodies	-	-	-	-				-	-
	Foreign Nationals	-	-	-	-				-	-
	Clearing Members	-	-	-	-				-	-
	Trusts	1,000	0	1,000	0.00	1,000	0	1,000	0.00	0.00
	Cooperative Society	-	-	-	-				-	-
	Foreign Bodies-DR	-	-	-	-				-	-
	Sub-total(B)(2):-	48,13,236	19,442	48,32,678	8.05	47,94,422	9,608	48,04,030	8.01	(0.04)
	Total Public Shareholding (B)=(B)(1)+(B)(2)	59,79,858	20,142	60,00,000	10.00	59,90,392	9,608	60,00,000	10	0
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-				-	-
	Grand Total (A+B+C)	5,99,79,858	20,142	6,00,00,000	100.00	5,99,90,392	9,608	6,00,00,000	100.00	0

(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 shareholding 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	0	5,40,00,000	90	0	0
	Total	5,40,00,000	90	0	5,40,00,000	90	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	5,40,00,000	90
	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	5,40,00,000	90

(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	45,645	0.08	45,645	0.08
	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)	45,645	0.08	45,645	0.08
4	EDELWEISS CUSTODIAL SERVICES LTD				
	At the beginning of the year	27,342	0.05	27,342	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		
	06.04.2018	4006	Purchase	31348	0.05
	13.04.2018	(9517)	Sale	21831	0.04
	20.04.2018	1059	Purchase	22890	0.04
	27.04.2018	(1414)	Sale	21476	0.04
	04.05.2018	7020	Purchase	28496	0.05
	11.05.2018	3589	Purchase	32085	0.05
	18.05.2018	(812)	Sale	31273	0.05
	25.05.2018	(9420)	Sale	21853	0.04
	15.06.2018	(2841)	Sale	19012	0.03
	22.06.2018	(550)	Sale	18462	0.03
	29.06.2018	(528)	Sale	17934	0.03
	30.06.2018	(414)	Sale	17520	0.03
	06.07.2018	8601	Purchase	26121	0.04
	13.07.2018	1452	Purchase	27573	0.05
	20.07.2018	(3562)	Sale	24011	0.04
	27.07.2018	3562	Purchase	27573	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
	03.08.2018	(144)	Sale			27429	0.05
	10.08.2018	(335)	Sale			27094	0.05
	17.08.2018	3574	Purchase			30668	0.05
	24.08.2018	(2948)	Sale			27720	0.05
	31.08.2018	(1027)	Sale			26693	0.04
	14.09.2018	2157	Purchase			28850	0.05
	21.09.2018	(204)	Sale			28646	0.05
	29.09.2018	(8406)	Sale			20240	0.03
	05.10.2018	(8)	Sale			20232	0.03
	19.10.2018	(3783)	Sale			16449	0.03
	26.10.2018	1727	Purchase			18176	0.03
	16.11.2018	(387)	Sale			17789	0.03
	23.11.2018	(6911)	Sale			10878	0.02
	30.11.2018	(98)	Sale			10780	0.02
	07.12.2018	1570	Purchase			12350	0.02
	14.12.2018	(50)	Sale			12300	0.02
	21.12.2018	(1145)	Sale			11155	0.02
	28.12.2018	1496	Purchase			12651	0.02
	31.12.2018	(2982)	Sale			9669	0.02
	04.01.2019	9278	Purchase			18947	0.03
	11.01.2019	(3314)	Sale			15633	0.03
	18.01.2019	1321	Purchase			16954	0.03
	25.01.2019	(1200)	Sale			15754	0.03
	10.02.2019	(1364)	Sale			14390	0.02
	08.02.2019	(303)	Sale			14087	0.02
	15.02.2019	(1000)	Sale			13087	0.02
	22.02.2019	10965	Purchase			24052	0.04
	01.03.2019	(196)	Sale			23856	0.04
	08.03.2019	(7195)	Sale			16661	0.03
	15.03.2019	(225)	Sale			16436	0.03
	22.03.2019	(1462)	Sale			14974	0.03
	29.03.2019	30176	Purchase			45150	0.08
	At the end of the year (or on the date of separation, if separated during the year)			45,150	0.08	45,150	0.08
5	THE ORIENTAL INSURANCE COMPANY LIMITED						
	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	40.936	0.07

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
6	PRAVEENCHAND 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	33,100	0.06
7	HASUMATI SHANTILAL MEMAYA				
	At the beginning of the year	20,000	0.03	20,000	0.03
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer /bonus/sweat equity etc.)				
	<div>Date</div> <div>Increase/Decrease</div> <div>Reasons for Change</div>				
	27.04.2018	9000	Purchase	29,000	0.05
	31.08.2018	3000	Purchase	32,000	0.05
	At the end of the year (or on the date of separation, if separated during the year)	32,000	0.05	32,000	0.05
8	NATIONAL INSURANCE COMPANY LTD				
	At the beginning of the year	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		
	At the end of the year (or on the date of separation, if separated during the year)	28,594	0.05	28,594	0.05
9	KARVY STOCK BROKING LTD (BSE)				
	At the beginning of the year	25,000	0.04	25,000	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.)				
	<div>Date</div> <div>Increase / Decrease</div> <div>Reasons for Change</div>				
	29.06.2018	(8000)	Sale	17000	0.03
	03.08.2018	(7000)	Sale	10000	0.02
	28.12.2018	15000	Purchase	25000	0.04
	At the end of the year (or on the date of separation, if separated during the year)	25,000	0.04	25,000	0.04

10	JANAK H TALSANIA					
	At the beginning of the year		500	0	500	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			
	20180622	1000	Purchase		1500	0
	20181019	1000	Purchase		2500	0
	20181207	1000	Purchase		3500	0.01
	20181221	10480	Purchase		13980	0.02
	20181228	20	Purchase		14000	0.02
	20181231	1000	Purchase		15000	0.03
	20190104	8500	Purchase		23500	0.04
	20190315	1500	Purchase		25000	0.04
	At the end of the year(or on the date of separation, if separated during the year)		25000	0.04		

(V) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For Each of the Directors and KMP	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 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
3.	Shri S.C Pandey, Director (upto 30.06.2019)				
	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
4	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

Sl. No.	For Each of the Directors and KMP	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
5	Shri P.K.Das, Director (Marketing) upto 31.03.2019				
	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 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 from 18.11.2016) upto 11.08.2018				
	At the beginning of the year	NA	NA	NA	NA
	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	NA	NA	NA	NA
10	Dr. N Sundaradevan (Independent Director) upto 14.06.2019				
	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	Dr. K Rangarajan (Independent Director) upto 14.06.2019				
	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	Shri Sunil H Trivedi (Independent Director) upto 14.06.2019				
	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
13	Shri Arvind Gupta (Independent Director) upto 14.06.2019				
	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 Directors and KMP	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
14	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
15	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
16	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
17	Ms. Bharati 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
18.	Shri S.K.Singhal, Chief Financial Officer (upto 21.12.2018)				
	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	NA	NA	NA	NA
19.	Ms. Rooma Nagrath , Company Secretary (w.e.f 21.12.2018)				
	At the beginning of the year	NA	NA	NA	NA
	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. Kamlesh Kumari, Company Secretary (upto 26.06.2018)				
	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.) 25-10-2016 : Transfer				
	At the end of the year	NA	NA	NA	NA

Sl. No.	For Each of the Directors and KMP	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
21	Shri Pankaj Kumar, Company Secretary (w.e.f. 27.06.2018 upto 13.11.2018)				
	At the beginning of the year	100	0	100	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.) 25-10-2016 : Transfer				
	At the end of the year	NA	NA	NA	NA
22	Shri Deepak C.S, Company Secretary (w.e.f. 13.11.2018)				
	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	16,97,74,76,342	–	–	16,97,74,76,342
ii)	Interest due but not paid	71,47,04,039	–	–	71,47,04,039
iii)	Interest accrued but not due	–	–	–	–
Total(i+ii+iii)		17,69,21,80,381	–	–	17,69,21,80,381
Change in Indebtedness during the financial year					
•	Addition	1,55,02,03,219	–	–	1,55,02,03,219
•	Reduction	9,00,00,00,000	–	–	9,00,00,00,000
Net Change(+)		(7,44,97,96,781)	–	–	(7,44,97,96,781)
Indebtedness at the end of the financial year					
i)	Principal Amount	10,24,23,83,600	–	–	10,24,23,83,600
ii)	Interest due but not paid	–	–	–	–
iii)	Interest accrued but not due	–	–	–	–
Total(i+ii+iii)		10,24,23,83,600	–	–	10,24,23,83,600

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Shri Rajiv Chopra	Shri S.K. Sharma	Shri P.K.Das	Shri Khaleel Rahim	Total
1.	Gross salary					
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	32,72,553	31,18,317	30,16,367	7,05,959	1,01,13,196
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	20,000	20,000	20,000	99,100	1,59,100
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–	–	–
2.	Stock Option	NA	NA	NA	NA	NA
3.	Sweat Equity	NA	NA	NA	NA	NA
4.	Commission - as % of profit - others, specify...	NA	NA	NA	NA	NA
5.	Others, please specify PF, Pension	5,11,319	4,93,521	4,72,945	0	14,77,825
	Provisions	0	0	0	0	0
	Total(A)	38,03,912	36,31,838	35,09,312	8,05,059	1,17,50,121
	Ceiling as per the Act	NA	NA	NA	NA	NA

B. Remuneration to other Directors

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Dr. N. Sundara devan	Dr. K. Ranga rajan	Shri Sunil 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	2,00,000	1,60,000	1,40,000	Nil	1,60,000	2,60,000	2,00,000	1,00,000	16,00,000
	• Commission	-	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-	-
	Total(1)	2,00,000	1,60,000	1,40,000	Nil	1,60,000	2,60,000	2,00,000	1,00,000	16,00,000
		-	-	-	-	-	-	-	-	-
2.	Other Non-Executive Directors									
	• Fee for attending board committee meetings	-	-	-	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-	-
	Total(2)	-	-	-	-	-	-	-	-	-
	Total(B)=(1+2)	2,00,000	1,60,000	1,40,000	Nil	1,60,000	2,60,000	2,00,000	1,00,000	12,20,000
		-	-	-	-	-	-	-	-	-
3.	Total Managerial Remuneration (A+B)									1,29,70,121
	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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel					Total
		Shri S.K.Singal Chief Financial Officer(upto 21.12.2018)	Ms. Rooma Nagarath Chief Financial Officer (w.e.f 21.12.2018)	Ms. Kamlesh Kumari, Company Secretary (Upto 26.06.2018)	Shri Pankaj Kumar Company Secretary (upto 13.11.2018)	Shri Deepak C S Company Secretary (w.e.f. 13.11.2018)	
1.	Gross salary						
(a)	Salary as per provisions contained in section17(1) of the Income-tax Act,1961	14,67,608	5,22,731	1,91,255	4,22,511	6,27,335	32,31,440
(b)	Value of perquisites u/s17(2) Income-tax Act, 1961	38,159	75,381	1,316	56,971	-	1,71,827
(c)	Profits in lieu of salary under section17(3) Income-tax Act, 1961	-	-	-	-	-	-
2.	Stock Option	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-
4.	Commission-as % of profit-others, specify...	-	-	-	-	-	-
5.	Others, please specify PF & Pension	2,30,165	91,379	29,899	73,458	99,190	5,24,091
	Provisions						
	Total	17,35,932	6,89,491	2,22,470	5,52,940	7,26,525	39,27,358

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					

CSR ACTIVITIES: 2018-19

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 has framed CSR and Sustainability Policy, Process & Procedure of STC and it is in force from the year 2014. The policy is a set of 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 or programs proposed to be undertaken in FY-2019-20

Since the Corporation has posted an average net loss of ₹337.74 Crore during the three immediately preceding financial years ((-) ₹148.37 Crore (FY2016-17), ₹32.25 Crore (FY2017-18) and (-) ₹897.12 Crore (FY2018-19)), it is not mandated to allocate CSR budget for the year 2019-20. However, there is an unspent amount of ₹0.75 lakh allocated for Emergency needs carried forward from previous year. There is also an amount of ₹0.65 lakh accrued from completed project undertaken in the previous year i.e. FY2017-18. As on 31.03.2019, the unspent CSR budget of ₹1.40 lakh is available and it shall be utilised in the next financial year 2019-20 as per provisions of CSR Rules under the Companies Act, 2013.

2. The Composition of the CSR Committee

As on 31.03.2019, there were 5 Directors in the CSR Committee at Board Level headed by Independent Director.

The present CSR Committee consists of the following members:

- Ms. Bharathi Magdum - Chairperson
- Shri M.L. Pareek - Member
- Shri B.P. Parmar - Member
- Shri S.K. Sharma - Member
- Shri N.A.N. Jeyakumar - Member

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

Year	Profit (₹ In Crore)
2015-16	22.70
2016-17	(148.37)
2017-18	32.25
Average net profit for last 3 years	(31.14)

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)

In view of the average net loss of ₹31.14 Crore, the prescribed CSR expenditure for the year 2018-19 was Nil.

5. Details of CSR spent during the financial year

a) Total amount to be spent for the financial year

In view of 4 above, the Company was not mandated to allocate CSR fund for the year 2018-19. However, an amount of ₹0.75 lakh earmarked for 'Emergency Needs' was carried forward from previous year.

b) Amount unspent, if any;

The amount of ₹0.75 lakh allocated for Emergency Needs remained unspent as need did not arise. Another ₹0.65 lakh accrued from the completed project of previous year i.e. FY2017-18. The total unspent amount of ₹1.40 lakh will be carried forward in next financial year 2019-20 and it shall be utilised in the next financial year 2019-20 as per provisions of CSR Rules under the Companies Act, 2013.

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

Sl. 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 towards Emergency Needs	Disaster	-	0.75	1. Nil 2. Nil	Nil	-
	Total			0.75		-	

**Activity carried forward from the previous year FY2017-18. However, the amount was not utilized as need did not arise.*

d) Reasons for not spending two per cent of the average net profit of the last three financial years or any part thereof.

The Company was not mandated to allocate CSR funds for the financial year 2018-19 in view of average net loss of ₹31.14 Cr. for the three immediately preceding financial 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) & Member (CSR Committee)
DIN: 06942536

**Sd/-
(Bharathi Madgum)**
Chairperson (CSR Committee)
DIN: 07775091

Date: 09.08.2019

Place: New Delhi

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance is essentially the 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 mere compliance of statutory requirements but rather a prerequisite to maximizing 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 the section 'Corporate Commitments'.

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's performance periodically. Board of Directors is at the 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, 2019, there were Fourteen (14) Directors on the Board comprising Four (4) whole time Functional Directors, 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) was 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 2018-19 are as follows:

Name& Designation	No.of Board Meetings held during the tenure	No.of Board Meetings attended	Whether attended last AGM		As on 31.03.2019	
			62 nd AGM Dated 26.09.2018	62 nd AGM (adjourned) dated 13.11.2018	No. of Directorships in other Public Limited Companies & Names of Listed Companies	Memberships/ Chairmanship in Committees of the Boards of other Companies
Functional Directors						
Shri Rajiv Chopra Director (Marketing) with additional charge of CMD	9	9	Yes	Yes	1 Listed Companies: NIL	Nil
Shri S.K. Sharma Director (Personnel)	9	9	Yes	Yes	1 Listed Companies: NIL	Nil
Shri P. K. Das Director (Marketing) (upto 31.03.2019)	9	9	Yes	Yes	Nil Listed Companies: NIL	Nil
Shri Umesh Sharma Director (Finance) MMTC with additional charge of Director (Finance), STC	9	7	Yes	Yes	3 Listed Companies: MMTC Limited	1
Part-time Official Directors - Government Nominee						
Shri Sunil Kumar Additional Secretary, DoC	9	8	No	No	1 Listed Companies: MMTC Limited	Nil
Shri S.C. Pandey Special Secretary & Financial Advisor, DoC (upto 30.06.2019)	9	6	No	No	6 Listed Companies: MMTC Limited HMT Limited Bharat Heavy Electricals Limited	Nil
Part-time Non-Official Directors – Independent Directors						
Dr. N Sundara devan, Independent Director (upto 14.06.2019)	9	7	No	Yes	5 Listed Companies: Chennai Petroleum Corporation Limited	3
Dr. K Rangarajan, Independent Director (upto 14.06.2019)	9	4	No	Yes	Nil Listed Companies: NIL	Nil
Shri Sunil Trivedi, Independent Director (upto 14.06.2019)	9	6	No	No	Nil Listed Companies: NIL	Nil
Shri Arvind Gupta, Independent Director (upto 14.06.2019)	9	5	No	No	2 Listed Companies: Larsen & Toubro Limited	Nil
Dr. Amitabh Rajan, Independent Director	9	7	Yes	No	Nil Listed Companies: NIL	Nil

Name & Designation	No. of Board Meetings held during the tenure	No. of Board Meetings attended	Whether attended last AGM		As on 31.03.2019	
			62 nd AGM Dated 26.09.2018	62 nd AGM (adjourned) dated 13.11.2018	No. of Directorships in other Public Limited Companies & Names of Listed Companies	Memberships/ Chairmanship in Committees of the Boards of other Companies
Shri Mohan Lal Pareek Independent Director	9	8	Yes	Yes	1 Listed Companies: NIL	Nil
Ms. Bharathi Magdum Independent Director	9	9	Yes	No	Nil Listed Companies: NIL	Nil
Shri Bharatsinh Parmar Independent Director	9	5	No	No	Nil Listed Companies: NIL	Nil

Notes

- The Company being a Government Company, all Directors are appointed by the President of India.
- Directors are not *inter 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 director in more than eight listed entities and is an independent director in more than seven listed entities.
- 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 2018-19, Nine (9) meetings of the Board were held at the Registered office of the Company, the details of which are as below:

Sl. No.	Meeting No.	Date of Board Meeting
1.	620	03.05.2018
2.	621	28.05.2018
3.	622	23.07.2018
4.	623	10.08.2018
5.	624	17.09.2018
6.	625	13.11.2018
7.	626	21.12.2018
8.	627	11.02.2019
9.	628	06.03.2019

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 vide its order dated 17.08.2018 conveyed non-extension of tenure of Shri Khaleel Rahim, Chairman & Managing Director who was already placed under suspension pursuant to MoC order dated 18.11.2016, after completion of his tenure on 11.08.2018.

On attaining the age of superannuation, Shri P. K. Das retired as Director (Marketing) of the Company on 31.03.2019 and hence ceased to be a director with effect from that date. Shri Ashwani Sondhi, Director (Marketing), MMTC Limited vide order dated 28.03.2019 of Ministry of Commerce & Industry, Department of Commerce, assumed the charge of the posts of Director (Marketing) STC on 01.04.2019, in addition to his existing charge, for a period of six months w.e.f 01.04.2019 to 30.09.2019 or till such time the posts are filled up on regular basis or until further orders.

Ministry of Commerce & Industry (MoC) vide its order dated 12.06.2019 conveyed the approval for the appointment of Shri N.A.N Jeyakumar, Chief General Manager (Marketing), STC to the post of Director (Marketing), STC and he assumed the charge w.e.f 12.06.2019, who was also appointed by the Board of Directors as Additional Director with effect from that date.

Vide an order dated 23.07.2019, MoC conveyed that Shri N. A. N. Jeyakumar would hold the additional charge of the post of Director (Marketing). Accordingly Shri Ashwani Sondhi ceased to be a director of the Company w.e.f. that date.

On attaining the age of superannuation, Shri S. C. Pandey, AS&FA, DoC retired from the services on 30.06.2019 and consequently ceased to be a Director (Government Nominee) of the Company w.e.f. that date.

Shri Arvind Gupta, Dr. N. Sundaradevan, Dr. K. Rangarajan and Shri Sunil Trivedi ceased to be independent directors of the Company on 14.06.2019 on completion of the tenure. They had been appointed by the Department of Commerce, Ministry of Commerce & Industry, Government of India vide order No. 14/13/97-FT(ST) dated 15.06.2016 for a period of three years.

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

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 resume 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 63rd Annual General Meeting of the Company.

3. SKILLS, EXPERTISE AND COMPETENCE OF THE BOARD

Skills, expertise and competence identified by the Board in the context of the business of the company

The Board of Directors oversees the functioning of the management comprising the executives at various levels of the organisation and provides necessary guidance and direction towards the attainment of corporate business objectives.

The Company is mainly engaged in the domestic trading and import and export of rice, wheat, sugar, pulses, edible oils, fertilisers, coal, bullion, etc. The skill sets required for such business and the industry in general are the overall experience in trading of these items, commercial knowledge relevant for such trading. knowledge of foreign trade policy, Customs regulations, international trade agreements, tax treaties, financial knowledge, ability to analyse financial statements, awareness of tax laws, dealing with financial institutions and banks for arranging funds, negotiation skills etc.

The above skill sets, expertise and competence are largely available with the Board of Directors of the Company at present.

4. INDEPENDENT DIRECTORS

Part-time Non-official (Independent) Directors are appointed by the Board of Directors pursuant to the order of the Department of Commerce, Government of India, for a period of three years or until further orders, whichever is earlier.

Independent Directors are required to comply with the requirements of the "Code of Business Conduct & Ethics for Board Members and Senior Management Personnel", "Code of Conduct to Regulate, Monitor and Report Trading by Insiders" and the "Charter for Board of Directors" approved by the Board of Directors of STC. The Independent Director shall always act in accordance with the Memorandum & Articles of Association of the Company and in furtherance of objects of the Company.

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 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, in the opinion of the board, the independent directors fulfil the conditions specified in these regulations and are independent of the management.

5. BOARD COMMITTEES

The Company has the following Committees of the Board:

5.1 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.. As on 31.03.2019, the Audit Committee comprised Dr. K. Rangarajan, as Chairman Shri M. L. Pareek, Dr. N. Sundaradevan (all independent directors) and Shri S. C. Pandey, Government Nominee Director as members.

The Audit Committee was reconstituted by the Board of directors by means of resolution dated 23.07.2019 passed by circulation and Shri M. L. Pareek (Chairperson), Shri B. P. Parmar and Smt. Bharathi Magdum are the members at present.

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

Details of Attendance & Meetings held during FY 2018-19 are as follows:-

5.1.1 Attendance

Member	No of Meetings held during the period	No of Meetings attended
Shri S.C.Pandey, S.S& FA,DoC	4	2
Dr.K.Rangarajan	4	3
Dr.N.Sundaradevan	4	3
Shri M.L.Pareek	4	4

5.1.2 Details of Audit Committee Meetings

During the financial year 2018-19, Four (4) meetings of Audit Committee Meetings were held. The details of Audit Committee meetings are as follows:

Sl. No.	Meeting No.	Date of the Audit Committee Meeting
1.	86	28.05.2018
2.	87	10.08.2018
3.	88	13.11.2018
4.	89	11.02.2019

5.2 NOMINATION AND REMUNERATION COMMITTEE

The terms 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 ₹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.

As on 31.03.2019, the Nomination and Remuneration Committee comprised three Independent Directors, Dr. Amitabh Rajan, as Chairman Ms. Bharathi Magdum and Shri Arvind Gupta, as members.

The Nomination and Remuneration Committee was reconstituted by the Board of directors by means of resolution dated 23.07.2019 passed by circulation and Dr. Amitabh Rajan (Chairperson), Ms. Bharathi Magdum and Shri M. L. Pareek are the members at present.

No meetings of Nomination and Remuneration Committee were held during the FY 2018-19.

5.3 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. As on 31.03.2019, Shri Sunil Kumar, AS, DOC (Chairman) and Shri Rajiv Chopra, Director (Marketing) with additional charge CMD and Shri S.K.Sharma, Director (Personnel) were the members of the Committee. The Committee was re-constituted on 28.05.2019 in pursuance of Regulations 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the inclusion of Dr. K. Rangarajan, Independent Director in addition to the existing members.

The Stakeholders Relationship Committee was reconstituted again by the Board of directors by means of resolution dated 23.07.2019 passed by circulation and Shri M. L. Pareek (Chairperson), Ms. Bharathi Magdum, Shri S. K. Sharma and Shri N. A. N. Jeyakumar are the members at present.

During the year 2018-19, two meetings of the Committee was held on 17.07.2018 and on 20.03.2019.
The attendance details are as under:

Name of Member	No. of Meetings held during the tenure	No. of Meetings Attended
Shri Sunil Kumar, Additional Secretary, DoC Chairman	2	2
Shri Rajiv Chopra, Director(Marketing) with additional charge CMD, Member	2	1
Shri S.K.Sharma, Director (Personnel), Member	2	2

5.4 CSR COMMITTEE OF THE BOARD 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.

As on 31.03.2019, Shri Sunil Trivedi (Chairman), Shri Bharatsinh Parmar, Shri Arvind Gupta, all Independent Directors and Director (Personnel) and Director (Finance) were the members of the Committee.

The CSR Committee was reconstituted by the Board of directors by means of resolution dated 23.07.2019 passed by circulation and Ms. Bharathi Magdum (Chairperson), Shri M. L. Pareek, Shri B. P. Parmar, Shri S. K. Sharma and Shri N. A. N. Jeyakumar are the members at present.

During the year, one meeting of the CSR Committee was held on 10.08.2018. Shri Sunil Trivedi, Shri Bharatsinh Parmar along with Director (Personnel) and Director (Finance) attended the meeting.

5.5 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 (subject to exemptions as applicable to government companies) 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.

During 2018-19, a separate meeting of Independent Directors was held on 11.02.2019 at the registered office of the Company. Dr N.Sundaradevan, Dr.Amitabh Rajan, Shri M.L.Pareek, Ms. Brarathi Magdum and Shri Bharatsinh Parmar attended the Meeting.

6. DIRECTORS REMUNERATION

6.1 Remuneration of Directors' for the year ended 31.03.2019 as follows:

(a) Functional Directors (₹ In Lakhs)

Sl. No	Names	Salary including DA	Other Perquisites & Benefits	P.F + Pension	Provisional (2018-19)	Total
1	Shri Rajiv Chopra	32.72	0.20	5.11	0	38.03
2	Shri S.K.Sharma	31.18	0.20	4.93	0	36.31
3	Shri P.K.Das	30.16	0.20	4.72	0	35.08
4	Shri Khaleel Rahim*	7.05	0.99	0	0	8.04
4	Shri Umesh Sharma#	-	-	-	-	-
5	Shri Ashwani Sondhi#	-	-	-	-	-
6	Shri N.A.N Jeyakumar	Not Applicable				

*Ministry of Commerce & Industry, Department of Commerce vide its order dated 17th August 2018 conveyed non-extension of tenure of Shri Khaleel Rahim, Ex-Chairman & Managing Director who was already placed under suspension pursuant to MoC order dated 18.11.2016, after completion of his tenure on 11.08.2018..

#Shri Umesh Sharma, Director (Finance), MMTC Limited and Shri Ashwani Sondhi, Director (Marketing) MMTC Limited have only additional charges in STC and they do not draw any remuneration from STC.

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

Non-Executive non-official Directors are paid sitting fees at the rate of ₹20,000 /-for attending each meeting of the Board/ Committee thereof. Details of payments made to Independent Directors during the year 2018-19 are given:-

Sl. No.	Name of Independent Director	Sitting Fee (Excluding Service Tax) (₹ in Lakh)
1	Dr. N Sundaradevan	2.0
2	Dr. K. Rangarajan	1.6
3	Shri Sunil Trivedi	1.4
4	Shri Arvind Gupta	Nil
5	Dr. Amitabh Rajan	1.6
6	Shri Mohan Lal Pareek	2.6
7	Ms. Bharathi Magdum	2.0
8	Shri Bharatsinh Parmar	1.0

6.2 Stock Options

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

6.3 Equity Shares held by Directors

None of the Directors holds any equity shares in the Company

6.4 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 a 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.

7. COMPLIANCE OFFICER

Sl. No.	Name	Period
1	Ms.Kamlesh Kumari	04.01.2018 – 26.06.2018
2	Shri Pankaj Kumar	27.06.2018 – 12.11.2018
3	Shri Deepak C S	13.11.2018- present

The Compliance Officer is primarily responsible for ensuring compliance with applicable statutory requirements and is the interface between the management, stake holders and the regulatory authorities.

8. 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 15 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.

During the year, a total of 33 complaints /queries/ correspondence were received and all the 33 were replied / attended to the satisfaction of the shareholders. No complaint is pending as on 31st March, 2019.

8.1 Settlement of Grievances

Investors may register their grievances in the manner stated below:

SI No	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, 1 st 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 in physical or electronic mode 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 2011 -12(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: 23701006 Email: cs@stclimited.co.in	Letter in physical or electronic mode 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 2011-12 (Final) before 02.11.2019 The unpaid/ unclaimed dividend amount for the year 2011-12 (final) will be transferred on or before 02.12.2019 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

9. FAMILIARIZATION PROGRAMME OF THE INDEPENDENT DIRECTORS

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 2018-19.

10. 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 except one executive have affirmed compliance with the Code of Conduct for the year under review. A declaration by Chairman & Managing Director in this regard is annexed.

10.1 Code of Conduct for Prevention of Insider Trading

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Board in its meeting held on 11.02.2019 has approved the amended 'Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons – Insider Trading Code' and also 'Code of Fair Disclosure and Conduct – Practices and Procedures for Fair Disclosure of Unpublished price Sensitive Information' (effective from 01.04.2019) in line with the SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018. 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, the 'designated persons' as defined under the Code are prohibited from dealing in the Company's shares during the closure of Trading Window and other specified period(s). To deal in securities beyond specified limit, permission of Compliance Officer is required. All Directors and designated 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: www.stclimited.co.in.

10.2 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 2018-19 was submitted to the Board on 28.05.2019 and is annexed to this Report

11. 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 31.03.2019 is as follows:

- (i) Shri Rajiv Chopra, CMD (Additional Charge), STC- Chairman
- (ii) Shri Shobhit Jain, Director-FT (ST), Department of Commerce, Ministry of Commerce and Industry, Government of India– Part- time Official Director/Government Director
- (iii) Shri S. K. Sharma, Director (Personnel), STC - Managing Director
- (iv) Smt. Rooma Nagrath, CFO, STC - Director

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

The subsidiary is not a 'material subsidiary', in terms of Regulation 24 of SEBI (LODR) Regulations, 2015. The corporate governance requirements as are applicable to a 'non-material subsidiary' are being complied with.

12. 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, NewDelhi-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	2017-18 (Adjourned)	13.11.2018-5.00 P.M.
Annual General Meeting	2017-18	26.09.2018-4.00 P.M.
Annual General Meeting	2016-17	26.09.2017-3.00 P.M.
Annual General Meeting	2015-16	29.09.2016-3.00 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 years' Annual General Meetings.

However the following special resolution was passed through postal ballot during the current financial year:

Date of postal ballot notice	:	10.06.2019
Voting Period	:	16.06.2019-15.07.2019
Declaration of results	:	17.07.2019

Resolution	No. of votes in favour	Percentage	No. of votes against	Percentage
To sell, assign or otherwise dispose of the immovable properties of the Company as part of one time settlement of dues with banks, to the extent of ₹350 Crore	15451	94.37	922	5.63

Procedure of postal ballot

Pursuant to provision of Section 110 of the Companies Act, 2013 and Rules made thereunder, the Postal Ballot Notice dated 10th June, 2019 was sent to all the members of the Company, either in physical or electronic form, for seeking their approval by means of special resolution through postal ballot. The dispatch of the aforesaid notice to the Members of the Company was completed on 14th June, 2019 and an advertisement in this regard was published in the newspaper, both

in English and Hindi on 15th June, 2019. The voting period commenced on Sunday, 16th June, 2019 (9:00 A.M. IST) and ended on Monday, 15th July, 2019 (5:00 P.M. IST).

The Company had appointed Shri Parveen Rastogi, M/s Parveen Rastogi & Co., Practising Company Secretary as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner. The Postal Ballot Forms and self-addressed business reply envelopes were sent for casting of votes by the Members. E-Voting facility through NSDL was also provided to the Members of the Company. The Members were requested to return the physical postal ballot forms duly completed along with the assent (for) or dissent (against), so as to reach the scrutinizer not later than on 5:00 P.M. (IST) on Monday, 15th July, 2019. In case of electronic voting, Members were requested to cast their votes electronically up to 5:00 P.M. (IST) on Monday, 15th July, 2019.

After due scrutiny of all the postal ballot forms received electronically and physical up to 5:00 P.M. (IST) on Monday, 15th July, 2019 (being last date fixed for return of the postal Ballot Electronically and physical forms filled in by Members), Shri Parveen Rastogi, Practising Company secretary presented his report dated 17th July, 2019, based on which the results were declared on 17th July, 2019.

13. 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. 'Related Party Transactions Policy' was amended by the Board on 28.05.2019 by including 'clear threshold limits' as per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- The RPT Policy is available at the web link: <http://www.stclimited.co.in/content/related-party-transactions-policy>
The Company has a 'policy for determining material subsidiaries' which is available on the weblink: <http://www.stclimited.co.in/content/policy-determining-material-subsidiaries>
- 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.

14. 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 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.

15. SHAREHOLDERS' INFORMATION

15.1 Forthcoming AGM – Date, Time and Venue

The Annual General Meeting for the year 2019 is scheduled to be held on Tuesday, September 24th, 2019 at 4:00 P.M. at, Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-110001.

15.2 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, 2019	14 th August, 2019
September 30, 2019	14 th November, 2019
December 31, 2019	14 th February, 2020
March 31, 2020 (Audited)	30 th May, 2020

15.3 Book Closure Period

The Register of Members shall remain closed from Tuesday, September 17th, 2019 to Tuesday, September 24th, 2019 (both days inclusive) for the purpose of Annual General Meeting and Dividend, If any.

15.4 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, Plot No.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

15.5 Listing Fee

The Annual Listing Fee for the listed equity shares pertaining to the year 2019-20 has been paid to the concerned Stock Exchanges.

15.6 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 2019-20 based on the Folio/ ISIN positions as on 31.03.2019.

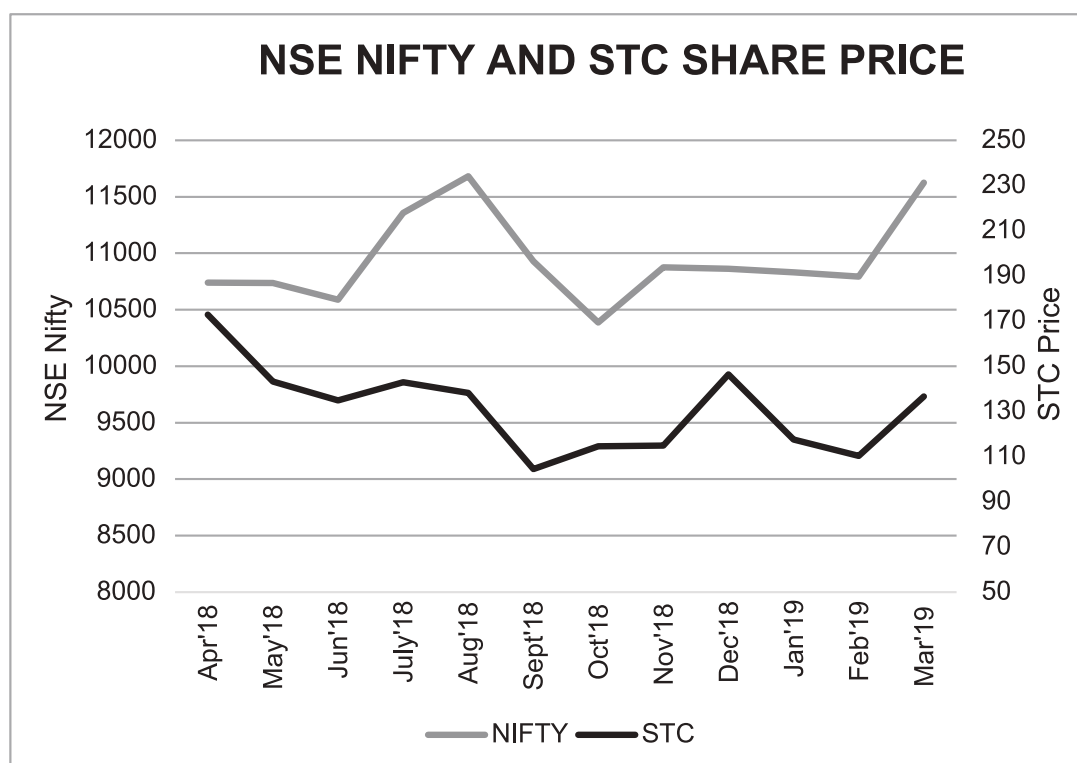
15.7 Stock Market Data: High/Low during each month in last financial year and with comparison with BSE Sensex and NSE Nifty

Month	National Stock Exchange				Bombay Stock Exchange				NIFTY	SENSEX
	High Price (in ₹)	Low Price (in ₹)	Closing Price (in ₹)	Volume (in no. of shares)	High Price (in ₹)	Low Price (in ₹)	Closing Price (in ₹)	Volume (in no. of shares)		
Apr-18	186.5	136	172.75	78,64,728	186.7	133.8	172.5	14,61,135	10739.35	35160.36
May-18	174.35	136	143.15	21,56,168	174.3	136.6	143.05	6,04,634	10736.15	35322.38
Jun-18	167	123.65	134.9	63,90,694	167	124.25	134.85	11,63,324	10589.1	35037.64
Jul-18	152.4	130.5	142.85	4989445	152.4	130.5	142.55	747487	11356.5	37606.58
Aug-18	149.95	132.8	138.1	3013721	149.8	133	138	439165	11680.5	38645.07
Sep-18	148.3	100.55	104.4	3259383	147.95	102.2	104.95	376216	10930.45	36227.14
Oct-18	140.4	90.6	114.6	6257296	140.25	90.85	114.3	1117998	10386.6	34442.05
Nov-18	131.9	112.2	114.9	2552701	132.05	110	114.35	427363	10876.75	36194.3
Dec-18	148.6	106.6	146.4	8993327	148.3	107.1	145.7	1140635	10862.55	36068.33
Jan-19	148.8	110	117.55	4318421	149	110.55	117.15	6,04,590	10830.95	36,256.69
Feb-19	120.1	98.6	110.3	24,53,504	123	99	110.3	4,30,692	10792.5	35,867.44
Mar-19	143.7	111.05	136.55	65,85,530	143.25	110.3	137.4	10,01,805	11623.9	38,672.91

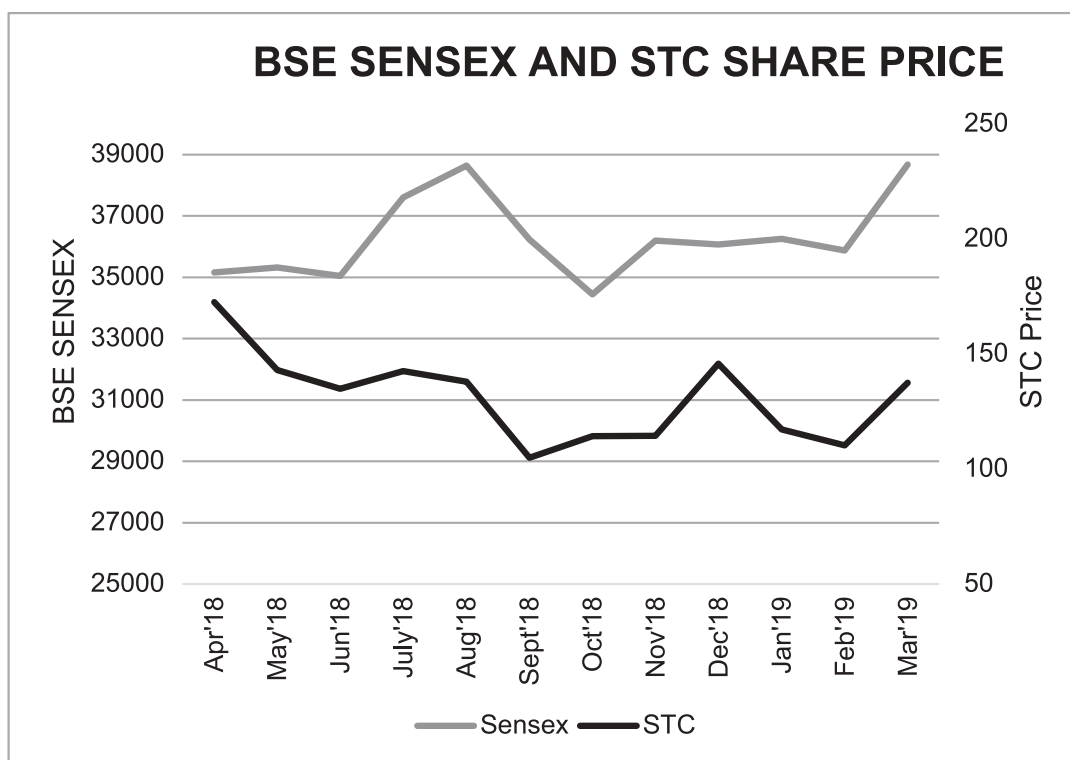
Source: Web-sites of BSE and NSE

15.8 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**



16. 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 15 days from the date of lodgement of valid share transfer deed along with share certificate. A Share Transfer Committee comprising two whole time Directors is in place. Two Directors of the Share Transfer Committee of the Board and Company Secretary are empowered to approve the transfers. No share transfer request was pending as on 31.03.2019. Share transfers in physical form has been discontinued by SEBI w.e.f. 01.04.2019.

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 half yearly basis.

In addition, Report on 'reconciliation of share capital audit' 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 the Stock Exchanges.

16.1 Shareholding Pattern as on 31st March, 2019

Category	No. of Shareholders	No. of Shares held	Percentage of Shareholding
President of India(Government of India)	1	54000000	90.0000
Mutual Funds/UTI	2	17186	0.0286
Financial Institutions/Banks	1	15929	0.0265
Insurance Companies	4	1149320	1.9155
Foreign Institutional Investors	-	-	-
Bodies Corporate	568	585610	0.9986
Indian Public	26365	4075071	6.7918
Non Resident Indians	216	142349	0.2373
Trust	1	1000	0.0017
IEPF Authority	1	13,535	0.0226
Total	27159	6,00,00,000	100.0000

16.2 Top 10 Shareholders as on 31st March, 2019

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	0.0761
Edelweiss Custodial Services Ltd	45150	0.0753
The Oriental Insurance Company	40936	0.0682
Praveen Chand Nahar	33100	0.0552
Hasumati Shantilal Memaya	32000	0.0533
National Insurance Company	28594	0.0477
Karvy Stock Broking Ltd	25000	0.0417

16.3 Distribution of Shareholding by Size as on 31st March, 2019

Category (No. of Shares)	Number of shares	% of Shareholding	Total number of Shareholders	% of Shareholders
1-500	2113989	3.5233	25561	94.1161
501-1000	754135	1.2569	951	3.5016
1001-2000	558966	0.9316	366	1.3476
2001-3000	297125	0.4952	119	0.4382
3001-4000	209913	0.3499	60	0.2209
4001-5000	192807	0.3213	41	0.1510
5001-10000	217339	0.3622	31	0.1141
10001-50000	575936	0.9599	27	0.0994
50001-100000	535000	0.8917	1	0.0037
100001 and above.	54544790	90.9080	2	0.0074
Total	6,00,00,000	100.0000	27159	100.0000

16.4 Corporate Benefits Dividend History

Year	Interim/Final	Rate (%)	Per Share (₹)	Amount (₹In lakh)
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			
2018-19	Nil			

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

(a) Transfer of Unpaid/unclaimed dividend

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 ₹3,76,107/- pertaining to unpaid/unclaimed final dividend for the year 2010-11 (Final) was transferred to the Investor Education and Protection Fund (IEPF) set up by the Central Government on 03.12.2018.

The unpaid / unclaimed final dividend for the FY 2011-12 which is due for transfer to IEPF, should be claimed by the members before 02.11.2019 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:

Sl. No.	Year	Type of Dividend	Dividend Rate (%)	Last date for claiming unpaid Dividend	Due date for transfer to IEPF
1.	2011-12	Final	20	02.11.2019	02.12.2019
2.	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.

(c) Transfer of unclaimed shares

Pursuant to the provisions of section 124 (6) of the Companies Act, 2013 read with the IEPF Rules, 2016 as amended from time to time, the Company is mandated to transfer all the shares in respect of which dividends have not been paid or claimed for seven consecutive years or more, in the name of Investor Education and Protection Fund. STC has transferred a total number of 13,535 shares to the IEPF Authority in the FY 2018-19.

(c) Refund of Claimants from IEPF Authority

Any person, whose shares, unclaimed dividend, matured deposits, matured debentures, application money due for refund, or interest thereon, sale proceeds of fractional shares, redemption proceeds of preference shares, etc. has been transferred to the Fund, may claim the shares under provision to sub-section (6) of section 124 or apply for refund under clause (a) of sub-section (3) of section 125 or under proviso to sub-section (3) of section 125, as the case may be, to the Authority by submitting an online application in form IEPF-5 available on the website www.iepf.gov.in along with fee specified by the Authority from time to time in consultation with the Central Government.

16.6 Dematerialization of Shares and Liquidity

Description	No. of Shareholders	Shares	% of Equity
CDSL	11411	55895727	93.16
NSDL	15645	4094665	6.82
PHYSICAL	103	9608	0.02
Total	27159	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, 2019, 5,99,90,392 equity shares forming 99.98 % of the shareholding, stood dematerialized.

16.7 Outstanding GDRs / ADRs / Warrants or Convertible Instruments

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

16.8 Addresses for Shareholders' Correspondence

The addresses are mentioned at Para 8.1 above.

17 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.

18. 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.

19. 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. Further, as per Section 177 of Companies Act, 2013, every listed company or such class or classes of companies, as may be prescribed, shall establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed. The vigil mechanism shall provide for adequate safeguards against victimisation of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in exceptional cases.

Accordingly, the Company had framed a Whistle Blower Policy with the approval of the Board and the same had been implemented w. e. f. 10th May, 2012. However in order to comply with the statutory amendments and to make the vigil mechanism in consonance with the various requirements a mentioned above, the Whistle Blower Policy was amended and adopted by the Board of Directors on 28.05.2019.

Further, a suitable mechanism has been put in place to protect the whistleblowers from any kind of harm or harassment. Further it is confirmed that no personnel has been denied access to the Audit Committee.

The amended 'Whistle-blower Policy' is available on the website of the Company: www.stclimited.co.in.

20. DETAILS OF FEES TO STATUTORY AUDITORS

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, is as follows:

Type of service	Year 2018-19 (₹)
Statutory Audit fees	10,92,000 plus GST
Tax Audit fees	5,46,000 plus GST
Others (including Quarterly review Audit fees)	2,52,558 plus GST

21. DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has laid down 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 has been set up to redress complaints received in this regard. All employees (permanent, contractual, temporary, trainees) are covered under this policy..

SI No	Details	Number
1	Complaints filed during the financial year	Nil
2	Complaints disposed of during the financial year	1
3	Complaints pending as on end of the financial year	Nil

22. OTHER DISCLOSURES

No funds was raised by the Company through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A), during the year under review.

There were no instances where the board did not accept any recommendation of any committee of the Board which is mandatorily required, during the year under review.

23. 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.

24. 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.

25. QUARTERLY CORPORATE GOVERNANCE REPORT

The Company regularly submits a quarterly compliance report on corporate governance in the prescribed format to the BSE and NSE within fifteen days from the end of the quarter, in terms of Regulation 27.

26. SECRETARIAL AUDIT REPORT

Secretarial Audit was got conducted from M/s. P. C. Jain & Co, Practising 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 report of the Secretarial Auditors does not contain any observations or adverse remarks warranting any explanation on the part of the management or the Board. The secretarial audit report dated 28.05.2019 is annexed to the Annual Report.

27. COMPLIANCE CERTIFICATE FROM AUDITORS / PRACTISING COMPANY SECRETARY

A Certificate from a Practising Company Secretary, 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 Board's Report forming part of the Annual Report.

Further a certificate from a company secretary in practice that none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed to the Board's Report forming part of the Annual Report.

CODE OF CONDUCT

To,
The Board of Directors
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 *except one personnel* have affirmed having complied with the said Code of Conduct of board of directors and senior management, during the year ended 31st March, 2019.

**Sd/-
(Rajiv Chopra)**

Director (Marketing) with Addl. Charge CMD

Place: New Delhi

Date: 09.08.2019

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

The State Trading Corporation of India Ltd.

We, Rooma Nagrath, General Manager (Finance) & CFO) and Rajiv Chopra, Director (Marketing) having additional Charge of CMD certify that :

- A. We have reviewed financial statements and the cash flow statement for the year ended 31.03.2019 and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact 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 change in accounting policies during the year except those disclosed in the notes to the financial statements; and
 3. There has not been any instances during the year of significant fraud except to the extent disclosed in notes to the accounts, of which we had become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.

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

Sd/-
(Rooma Nagrath)
General Manager(Finance)& CFO

Place: New Delhi
Date: 28.05.2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
The State Trading Corporation of India Limited
Jawahar Vyapar Bhawan, Tolstoy Marg,
New Delhi-110001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of THE STATE TRADING CORPORATION OF INDIA LIMITED having CIN: L74899DL1956GO1002674 and having registered office at JAWAHAR VYAPAR BHAWAN, TOLSTOY MARG, NEW DELHI-110001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of Appointment	Date of Cessation
1	Mr. Mohan Lal Pareek	00027693	14/02/2017	-
2	Mr. Umesh Sharma	03298909	04/01/2018	-
3	Mr. Amitabh Rajan	05299866	14/02/2017	-
4	Mr. Rajiv Chopra	06466326	01/01/2013	-
5	Mr. Sanjeev Kumar Sharma	06942536	16/07/2014	-
6	Mr. Prasanta Kumar Das	03145622	19/02/2016	31/03/2019
7	Mr. Subhash Chandra Pandey	01613073	27/03/2018	30/06/2019
8	Mr. Sunil Kumar	07592258	21/10/2017	-
9	Mr. Sundaradevan Nanjiah	00223399	15/06/2016	14/06/2019
10	Mr. Sunil Harshadray Tridevi	01670280	15/06/2016	14/06/2019
11	Mr. Krishnamachari Rangarajan	07579562	03/08/2016	14/06/2019
12	Mr. Arvind Gupta	00090360	15/06/2016	14/06/2019
13	Ms. Bharathi Magdum	07775091	24/03/2017	-
14	Mr. Bharatsinh Prabhatsinh Parmar	07781550	31/03/2017	-
15	Mr. Nainar Arumugam Nainar Jeyakumar	08479171	12/06/2019	-
16	Mr. Ashwani Sondhi	02653076	01/04/2019	24/07/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Parveen Rastogi & Co.
Company Secretaries

Place: New Delhi
Date: 09 August, 2019

Praveen Rastogi
M No.: 4674
COP. No. 2883

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
The State Trading Corporation of India Limited,
Jawahar Vyapar Bhawan, Tolstoy Marg,
New Delhi-110001

We have examined the compliance of conditions of Corporate Governance by "The State Trading Corporation of India Limited" for the year ended 31st March, 2019, 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, 2019, 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.

**For Parveen Rastogi & Co.
Company Secretaries**

Place: New Delhi
Date: 09 August, 2019

Praveen Rastogi
M No.: 4674
COP. No. 2883

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE YEAR ENDED AS ON 31st March, 2019
[Pursuant to section 204(1) of the Companies Act, 2013 and rule
No.9 of the Companies (Appointment and Remuneration Personnel)
Rules, 2014]

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

Dear Members,

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, 2018 to 31st March, 2019 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, 2018 to 31st March, 2019 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, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable during the audit period)
 - (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.
- (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.

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. **Syndicate Bank, a financial creditor has filed a petition before the Principal Bench, National Company Law Tribunal, New Delhi on 21.02.19, under Section 7 of Insolvency and Bankruptcy Code , 2016 for initiating Corporate Insolvency Resolution Process (CIRP) against the Company, for an amount of ₹625.32 Crore.**

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

Sd/-
(P C Jain)

Place: Faridabad
Date: 28.05.2019

Managing Partner
CP No. 3349

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.

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

Sir,

Our Secretarial Audit Report for the year ended as on 31st March, 2019 of even date is to be read along with this letter.

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.

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.

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.

Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

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.

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)

Place: Faridabad
Date: 28.05.2019

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

Highlights: Ten Years at a Glance

₹ Crore

PARTICULARS	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Operating Results										
Sales										
Exports	10.50	265.54	788.86	1,110.47	1,884.27	1,781.02	1,563.49	344.32	491.93	1,503.79
Imports	8,437.49	10,216.50	6,381.69	8,735.29	12,041.81	3,545.80	17,015.28	29,961.20	18,938.22	19,049.10
Domestic	445.24	343.00	581.61	633.40	471.13	47.16	119.73	138.78	554.69	955.76
Total	8,893.23	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
Profits										
Trading	14.92	26.06	35.03	33.11	101.64	182.84	118.53	89.73	177.87	144.55
Before tax	(897.12)	32.25	(148.37)	22.70	31.40	(492.38)	14.42	17.80	79.63	170.93
After tax	(881.08)	37.52	(165.54)	17.86	26.19	(492.20)	17.95	16.47	56.43	106.95
Overheads (Note 1)	135.22	130.74	134.66	134.61	131.76	159.87	134.04	126.29	145.52	131.73
Interest Outgo (Net)	91.38	(90.18)	(78.23)	(75.31)	(55.74)	(30.04)	(69.88)	(69.57)	18.43	(137.70)
Dividend	-	-	-	-	-	-	12.00	12.00	18.00	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	(8.64)	870.81	831.25	996.79	978.92	37.73	529.93	621.98	619.46	583.94
Less: Revaluation Reserve	884.60	884.60	872.05	884.62	897.51					
Total	(833.24)	46.21	19.20	172.17	141.41	97.73	589.93	681.98	679.46	643.94
Bank Borrowings	1,024.24	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
Working Capital (Note 2)										
Inventories	0.16	0.25	39.70	0.42	5.50	0.97	43.50	543.71	1,313.75	567.01
Trade Receivables	120.67	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
Other (Net)	(912.44)	(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)
Total	(791.61)	56.11	163.96	163.65	322.52	127.65	221.08	172.05	2,103.26	2,980.40
Capital Employed	51.36	930.81	891.25	1,056.78	1,038.71	97.42	589.62	681.67	676.43	640.91
Significant Ratios										
Trading Profit : Sales (%)	0.17	0.24	0.45	0.32	0.71	1.19	0.63	0.29	0.89	0.67
Profit Before Tax : Sales (%)	(10.09)	0.30	(1.91)	0.22	0.22	(3.20)	0.08	0.06	0.40	0.79
Profit Before Tax : Networth (%)	107.67	69.79	(772.76)	13.18	22.20	(503.82)	2.44	2.61	11.72	26.54
Sales : Capital Employed (Times)	173.15	11.63	8.70	9.92	13.86	157.81	31.71	44.66	29.54	33.56
Inventories : Sales (%)	0.00	0.00	0.51	0.00	0.04	0.01	0.23	1.79	6.57	2.64
Trade Receivables : Sales (%)	1.36	20.52	27.25	25.20	16.85	12.80	12.24	11.35	22.56	30.74
Overheads : Sales (%)	1.52	1.21	1.74	1.28	0.92	1.04	0.72	0.41	0.73	0.61

Note 1 : Overheads excludes Rent related expenditure from 2011-12 onwards

Note 2 : Excludes Non Current Items from 2011-12 onwards

Note 3 : Figure of 2017-18 on words are as per Ind-AS.



STANDALONE FINANCIAL RESULTS 2018-19

Independent Auditor's Report

To the Members of

M/s. The State Trading Corporation of India Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the Standalone Financial Statements of M/s The State Trading Corporation of India Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss, the statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information in which the Returns for the year ended on that date audited by the Branch Auditors of the Company's location at Mumbai, Kolkata, Cochin, Bengaluru, Hyderabad, Chennai & Ahmadabad are incorporated.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section [refer (a), (b) and (c) below] of our report, the aforesaid Standalone Financial Statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (India Accounting Standards) Rule 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31st, 2019 and its loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

a. Non provision in respect of the items / matters as indicated below, has resulted in the loss being shown lower by ₹111.11Crore for the year

- i. Refer foot note of note no.36 (i) for not providing firm liability of contingent liabilities of ₹72.82 Crore though the company lost the case at two levels i.e. from the Arbitration as well as from the single bench of High Court.
- ii. Refer foot note of note no.36 (i) for not providing firm liability of a contingent liability of ₹27.89 Crore due from a company and adjusting the same against the deposit held by the holding company of the company from whom the doubtful debt was due though the adjustment was not upheld to be enforceable.
- iii. Refer foot note of note no. 11 for not making credit impairment on ₹10.40 Crore recoverable from various Tenants which are under disputes / litigation and considered by the company as "having significant increase in credit risk".

b. The Company has not complied with

- i. Ind AS 40 (regarding Fair Value Measurement of Investment Property) by not performing fair valuation of investment property as on balance sheet date. (refer foot note of note no.6)
- ii. Ind AS 21 (regarding Effects of Changes in Foreign Exchange) by not revaluing the carrying amounts, in certain cases, of foreign currency receivables and payables which are under litigation/disputed. (refer note no. 56)
- iii. Ind AS 109, (regarding impairment of financial assets and recognition of expected credit loss) by not making credit impairment on undisputed trade receivable of ₹112.87 Crore. The impact of the same is not ascertainable.

c. The impact of the following is not ascertainable

- i. Refer note no.41 for non-availability of confirmation of balances of certain receivables and payables (including certain direct & indirect taxes).
- ii. Refer foot note no. (b) of note no 4 for non-adjustment of value/area in Fixed Assets Register against areas acquired by DMRC for construction of Metro Station& by L&DO for widening of the Road during Asian Game, as well as the flats/area of land sold by the company to HHEC for its Housing colony.
- iii. In certain cases of Contingent Liabilities and Contingent Assets, documents showing latest status/fact of the case and basis of probability for outflow and inflow of resources are not made available.

As a result of matters contained in paras (a) (i) to (iii) above, loss for the year is understated by ₹111.11 Crore, with consequential effect on 'Retained earnings' by the same amount, understatement of 'liabilities' by ₹100.71Crore and overstatement of claim recoverable by ₹10.40 Crore.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code

of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for opinion (including the basis for the qualified opinion).

Emphasis of Matters

- a. Refer foot note of note no. 9 & 11 for not making credit impairment of trade receivables ₹974.78 Crore & Claim Receivables ₹6.84 Crore, making a total of ₹981.62 Crore since the company feels that even if no amount would eventually be recovered, provision is not required as the creditor will be paid by the company only to the extent the amount is realized against such trade receivables, though in most of the cases agreements are not tripartite.
- b. Refer Note No. 20 for continuing default in the repayment of Bank loans including interest thereon amounting to ₹1925.09 Crore against which lender Bank have jointly filed case in DRT and one of the lender bank has also filed a Case in NCLT. The company has approached the banks for settlement and an amount of ₹900 Crore has been paid by the company to the Lead banker of Joint Lender Forum Banks under the one time settlement process.

Material Uncertainty related to Going Concern

The Company has incurred a net loss of ₹879.46 Crore during the year ended March 31, 2019 and, as of that date, the Company's liquidity position is not strong enough as is evident from the fact that the current liabilities exceeded its Current assets by ₹791.61 Crore and (the fact that equity shows a positive figure only on account of revaluation reserve) hence, there could be material uncertainty for the company to continue as going concern. However, in spite of these events or conditions which may cast a doubt on the ability of the company to continue as a going concern, the management is of the opinion that going concern basis of accounting is appropriate having regard to the facts mentioned in Note No. 55.

Our opinion is not modified in respect of this matter.

Key Audit Matters

1. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the basis for qualified opinion section, we have determined the matters described below to be the key audit Matters to be communicated in our report.
2. Accuracy of recognition, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from contracts with customers" (new revenue accounting standard)

The application of the new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over the period. Additionally new revenue accounting standard contains disclosures which involve collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

Principal Audit Procedures followed

We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard.

Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:

- Evaluated design of internal control relating to the implementation of the new revenue accounting standard. Selected sample for continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls.
- Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.
- Selected a sample of continuing and new contracts and performed the following procedures:
 - Read, analyzed and identified the distinct performance obligations in these contracts.
 - Compared these performance obligations with these identified by the company.

- Considered terms of the contract to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.
- Samples in respect of revenue were tested with the performance obligations specified in the underlying contracts.
- Performed analytical procedures for reasonableness of revenue disclosed by type and service offerings.
- We reviewed the collation of information and the logic of the report generated from the budgeting system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

3. **Evaluation of uncertain tax position**

The company has uncertain material tax provisions including matters under dispute which involves significant judgment to determine the possible outcomes of these disputes.

Principal Audit procedures followed

We evaluated management's judgment of tax risks, estimates of tax exposures and contingencies by testing the design implementation and operating effectiveness of the related controls. We obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We involved in the detailed discussions with the management for underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our team also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions as at april 1, 2018 to evaluate whether any change was required to management's position on these uncertainties.

Management's Responsibility for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements of 8 Branches included in the standalone financial statements of the Company whose financial statements reflect total assets of ₹1,190.95 Crore as at 31st March, 2019 and Gross total revenues of ₹6,613.23 Crore for the year ended on that date, as considered in the standalone financial statements. The financial statements 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. Our opinion is not modified in respect of this matter.

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 Companies Act, 2013, we give in the **Annexure "A"** 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:
 - i. We have sought and obtained all the information and explanations, except the matter referred in para (c) of Basis for Qualified opinion, which to the best of our knowledge and belief were necessary for the purposes of our audit
 - ii. In our opinion, proper books of account as required by law have been kept by the Company, except for the para (b) of Basis for Qualified opinion, 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.
 - iii. The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
 - iv. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement 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.
 - v. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards, except for the para (b) of Basis for Qualified opinion, specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - vi. The going concern matter described under "Material uncertainty in relation to Going Concern" paragraph above, in our opinion, may have an adverse effect on the functioning of the company.

- vii. We have been informed that the provisions of Section 164(2) of the Act in respect of disqualification of directors are not applicable to the Company, being a Government company in terms of notification no. G.S.R.463 (E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, Government of India;
- viii. 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"**.
- ix. As informed, the provisions of Section 197 relating to managerial remuneration are not applicable to the Company, being a Government Company, in terms of MCA Notification no. G.S.R. 463 (E) dated 5th June 2015.
- x. 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:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements, refer note 36 to the financial statements.
 - The Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - Following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund (IEPF) by the Company.

Date of Declaration of dividend	Due date for transfer to IEPF	Date of transfer to the IEPF	Delay due to Bank clearing	Amount of Dividend (₹ In Crore)
29.09.2011	03.12.2018	04.12.2018	1 day	0.04

3. We are enclosing our report in terms of Section 143 (5) of the Act, on the directions and sub-directions issued by the Comptroller and Auditor General of India, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in **Annexure- C**.

For Thakur, Vaidyanath Aiyar & Co.

Chartered Accountants
(FRN: 000038N)

Sd/-
(K. K. Upadhyay)
Partner
M. No.: 096584

Place: New Delhi
Date: 28.05.2019

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

The State Trading Corporation of India Ltd.

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

1. Fixed Assets

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except for the areas of lease hold land and building of Jawahar Vayapar Bhawan at Janpath, New Delhi and Housing Colony at Aurbindo Marg, New Delhi (refer foot note no.4).
- b. The company has a Programme of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. The fixed assets were physically verified by the management during the year and discrepancies found on physical verification have been properly dealt with in the books of accounts.
- 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 below whose title deeds are pending for execution in the company:

Location	Description	Area	Audit observations	Gross Block revalued amount (₹ in Crore)
New Delhi	Lease hold Land at Tolstoy Marg, Jawahar Vayapar Bhawan, New Delhi.	2.599 Acre	Execution of lease deed is pending since 1975. Further, out of total area, physical position of land measuring 714.60 sqmtrs is not now with STC (i.e. 388.91 sqmtrs. acquired by DMRC for construction of Metro and 325.69 sqmtrs. by NDMC for widening of the Road during Asian Game) and value the same has not been updated in FAR / FAS. Measurement for area under physical position is yet to be done.	431.77
New Delhi	STC / MMTC Housing Colony, Aurobindo Marg, New Delhi	16.17 Acre	Execution of lease deed (for 50% share of total land measuring 32.33 acre) allotted for housing colony is still pending. Further, records / details for area given by STC from its own share to HHEC for its housing colony is to be adjusted in the FAR / FAS. Measurement for area under physical position of the company is yet to be done.	116.56
New Delhi	Flats at AGVC, Khel Gaon Marg, New Delhi.	8 Flats (measuring 14424 sqfts)	Execution of lease / conveyance deed is still pending.	25.28
Mumbai	7 nos. of Flats (refer foot note of note no.4)	7997 sqfts.	Execution of lease / conveyance deed is still pending.	33.19

2. Inventories

According to information and explanations given to us physical verification of inventories are done by the management at a reasonable interval. Inventories lying with third parties and pledge stock have been physically verified through surveyor from time to time. Material discrepancies found on physical verification have been properly dealt with in the books of account.

3. According to information and explanations given 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 Ad, 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 amounts are outstanding in advances from customers/credit balance in customer accounts which as explained to us is not material 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 Company Act.

7. **Statutory Dues**

- a) According to the information and explanations given to us and on the basis of our examination of the books of account, un-disputed statutory dues, including provident fund, employees' state insurance, income-tax, sales-tax, goods and service tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have generally been deposited regularly with the appropriate authorities within the due date except in the case of professional tax of ₹0.004 Crore of Mumbai Branch which are outstanding for more than six months as on balance sheet date from the date they became payable.
- b) According to the information and explanations given to us and as per books of account, there are dues outstanding of Sales Tax, Wealth Tax, Custom Duty Excise Duty, Value Added Tax, Service Tax, Goods & Service Tax and Cess which have not been deposited as on 31st March 2019 by the company, on account of any dispute are as under :

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	Income Tax	0.86	2010-11	ITAT, Delhi
Income Tax Act	Income Tax	3.00	2011-12	ITAT, Delhi
Income Tax Act	Income Tax	1.19	2012-13	ITAT, Delhi
Income Tax Act	Income Tax	0.08	2016-17	CIT(A), Delhi
Sales Tax & Custom Duty				
TNGST/AST/CST	Sales Tax	0.83	1974-75, 1975-76, 1985-86 to 1987-88, 1989-90 & 1991-92	Hon'ble Madras High Court
Central Sales Tax Act	Central Sales Tax	0.01	1987-88	Appellate Tribunal
Custom Act	Custom Duty	4.16	2017-18	SLP to be filed in Supreme Court
Custom Act	Custom Duty	1.64	2011-12	Appellate Authority
Custom Act	Custom Duty	.06		Commissioner Appeal
Bihar Sales Tax Act	Sales Tax	0.01	1989-90	Sales Tax Appellate Tribunal
Orissa Sales Tax Act	Sales Tax	0.01	1988-89	Commissioner (Appeals), Orissa
Central Sales Tax Act	Central Sales Tax	0.02	1993-94 to 1995-96	Hon'ble Assam High Court
Central Sales Tax Act	Central Sales Tax	0.23	2003-04	Joint Commissioner, Sales Tax
West Bengal Vat Act / Central Sales Tax Act	Vat & CST	0.02	2011-12	Joint Commissioner, Commercial Tax
Maharashtra Sales Tax Act	Sales Tax	0.69	1992-93 & 1996-97	Maharashtra Sales Tax Tribunal
Maharashtra Sales Tax Act	BST & CST	46.88	1993-94, 2000-01 & 2003-04	Joint Commissioner, Sales Tax
Maharashtra Sales Tax Act	BST, CST & MVAT	389.47	2004-05, 2006-07, 2009-10 & 2011-12	Joint Commissioner, Sales Tax
Maharashtra Sales Tax Act	CST & WCT	0.71	2008-09 & 2012-13	Deputy Commissioner, Sales Tax
Maharashtra Sales Tax Act	MVAT& CST	1.05	2011-12	Joint Commissioner, Sales Tax
Service Tax				
Finance Act, 1994	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	3.56	2014-15 to 2016-17	Principal Commissioner Service Tax
Finance Act, 1994	Service Tax	4.50	01.10.2011 to 31.03.2015	Service Tax Appellate Tribunal Mumbai
Finance Act, 1994	Service Tax	24.72	01.04.2014 to 31.03.2011	High Court
Finance Act, 1994	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

8. According to information and explanations given to us, the Company has defaulted in the repayments of Loans / Borrowings of Banks. However, the company does not have loans/borrowings from financial institution or Government or dues to Debenture Holders. The lender-wise details of amount and period of defaults are as under :

Name of the Banks	Amount of installment and interest overdue##	Due date of payments	Payments status as on balance sheet date	Period of Delay (in days)
Syndicate Bank	355.27	Overdue	##	365
Indian Overseas bank	243.57	Overdue	##	365
Union Bank of India	172.30	Overdue	##	396
Indian Bank	123.81	Overdue	##	396
Exim Bank	93.06	Overdue	##	365
Bank of Baroda	34.96	Overdue	##	284
UBI (Kumily)	1.28	Overdue	##	396

Balances are after adjustment of a lump sum payment of ₹900/- Crore made by the company to lead banker of Joint Lender Forum Banks for settlement.

9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and hence the application of such money for specified purposes is not applicable.
10. We have not come across any material fraud by the company or on the company by its officers or employees which have been, noticed or reported during the year.
11. As informed, the provisions of Section 197 relating to managerial remuneration are not applicable to the Company, being a Government Company, in terms of MCA Notification no. G.S.R. 463 (E) dated 5th June 2015.
12. The company is not a Nidhi Company and hence the clause is not applicable.
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 in compliance with sections 177 and 188 of the Act where applicable. The details of Related Parties Transactions have been disclosed in the Financial Statement, as required by the applicable Ind AS; (refer note no.42).
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. As per records of the company and according to the information and explanations given to us, the Company has not entered into non -cash transactions with Directors or Persons connected with him and hence the clause is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Ad, 1934.

For Thakur, Vaidyanath Aiyar & Co.

Chartered Accountants
(FRN: 000038N)

Sd/-
(K. K. Upadhyay)
Partner
M. No.: 096584

Place: New Delhi
Date: 28.05.2019

“Annexure B” to INDEPENDENT AUDITOR’S REPORT

The State Trading Corporation of India Ltd.

Referred to Clause (vii) of Paragraph 2 under the heading of “Report on other Legal and Regulatory Requirements” of our report of even date on Standalone Financial Statements for the year ended 31st March 2019

We have audited the internal financial controls over financial reporting of **The State Trading Corporation of India Limited** (“the Company”) as on 31st March, 2019 in conjunction with our audit of the standalone 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 judgment, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of un-authorized 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. Company is maintaining Accounts in Tally ERP Software. However, the Tally ERP Software on which accounts are being maintained by the Branches and Divisions are not integrated/ interfaced with the each other or with the server at Head office. Further, Inventories and Consumables, except for Bullion, are not being maintained on the Tally ERP, instead it is maintained manually.
Further, company is maintaining "Performance Management System", Payroll Software and "Leave Management System" which are not interfaced with each other as well as the accounting software.
As a result of above, Manual Accounting entries are being made on periodical basis in the Tally ERP Accounting software, and consolidation of the Financial Statements/Accounts of 10 Branches and 9 Divisions are being made through MS-Excel.
- ii. Lack of control over release of advance to parties 'in-comparison with the targeted performance / milestone to be provided by the parties. For Instance, in the case of installation of 5 Lifts, advance given by the company against all the 5 lifts, out of which 4 lifts are still under installation even after long delay from the scheduled date.
- iii. Lack of effective Internal control over inventory pledged with the company as in most of the cases periodic physical verification reports have not been submitted by the parties and in certain cases parties are not allowing STC to conduct the physical verification.
- iv. In certain cases reconciliations of receivables & payables are pending since long and impact of the same is not ascertainable.
- v. With respect to Mumbai branch of the Company, the Branch auditor has reported for the inadequate internal audit system, weakness in the system of customer acceptance, credit evaluation and establishing customer credit limits and other related controls are not in place.
- vi. Lack of Control over legal expenses due to non-maintenance of proper records showing case wise and advocate wise details.
- vii. Lack of control over contingent liability and contingent assets due to non-maintenance of proper records showing fact of the case, latest status of the case and probability of expected outcome in the opinion of management.

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, 2019, 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.

We have, to the extent possible, considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 standalone INDAS financial statements of the Company, and these material weaknesses are not likely to affect our opinion on the standalone financial statements of the Company.

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 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 Thakur, Vaidyanath Aiyar & Co.

Chartered Accountants
(FRN: 000038N)

Sd/-
(K. K. Upadhyay)
Partner
M. No.: 096584

Place: New Delhi
Date: 28.05.2019

Annexure-‘C’ to the INDEPENDENT AUDITORS’ REPORT

The State Trading Corporation of India Ltd.

Referred Paragraph 3 under the heading of “Report on other Legal and Regulatory Requirements” of our report of even date on Standalone Financial Statements for the year ended 31st March 2019

1	Whether the company has system in place to process all the accounting transactions through IT System? If yes, the processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	<p>a. Company is maintaining accounts in Tally ERP Software. However, the Tally ERP Software on which accounts are being maintained by the branches as well as by the head office including all divisions is not integrated with the each other. As a result of this, compilation of accounts of all branches & divisions are made on excel sheet manually at the year end.</p> <p>b. Further, stock of inventories and consumables, except for bullion, are not being routed through IT System. Hence, periodic manual entries are being made in the accounting software.</p> <p>c. Company is maintaining software for Performance Management System (PMS), Payroll Software (PS) and Leave Management System (LMS) which are not interfaced with each other as well as with Accounting Software.</p> <p>As a result of this, manual entries are being made on periodic basis in the respective software as well as in accounting software.</p>
2	Whether there is any restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc., made by the lender to the company due to company’s inability to repay the loan?	The company is in the process of “one time settlement” (OTS) with the Lender Banks for the dues of banks for which Co. is in continuing default. Impact, if any, on OTS will be accounted for on its completion.
3	Whether the fund received / receivable for specific schemes from Central / State agencies were properly accounted for / utilized as per its terms and conditions List of cases of deviation.	As per information & explanation given to us, the Company has not received during the tear any fund under any scheme of the Central/State Government.

For Thakur, Vaidyanath Aiyar & Co.

Chartered Accountants
(FRN: 000038N)

Sd/-
(K. K. Upadhyay)
Partner
M. No.: 096584

Place: New Delhi
Date: 28.05.2019

Compliance Certificate

We have conducted the audit of Standalone Ind AS financial statements of The State Trading Corporation of India Ltd. for the year ended March 31, 2019 in accordance with the directions / sub-directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013 and certify that to the best of knowledge and belief we have complied with all the directions/sub-directions issued to us.

For Thakur, Vaidyanath Aiyar & Co.

Chartered Accountants

(FRN: 000038N)

Sd/-

(K. K. Upadhyay)

Partner

M. No.: 096584

Place: New Delhi

Date: 28.05.2019

BALANCE SHEET AS AT MARCH 31, 2019

(₹ Crore)

Particulars	Note No	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	4	593.60	601.92
(b) Capital work-in-progress	5	0.37	2.10
(c) Investment property	6	307.44	312.50
(d) Other intangible assets	7	0.02	0.10
(e) Financial Assets :			
(i) Investments	8	0.01	0.01
(ii) Trade receivables	9	966.98	964.55
(iii) Loans	10	6.78	9.76
(iv) Other Financial Assets	11	20.13	52.43
(f) Deferred tax assets (net)	12	86.49	73.67
(g) Other non-current assets	14	7.46	9.86
Sub total		1,989.28	2,026.90
Current Assets			
(a) Inventories	15	0.16	0.25
(b) Financial Assets :			
(i) Trade receivables	9	120.67	2220.89
(ii) Cash & cash equivalents	16	123.35	98.79
(iii) Bank Balances other than (ii) above	17	3.54	2.35
(iv) Loans	10	2.35	4.93
(v) Other Financial Assets	11	521.60	48.59
(c) Tax Assets (Net)	13	27.90	10.02
(d) Other Current Assets	14	14.22	25.51
(e) Other non current assets held for disposal		0.01	-
Sub total		813.80	2,411.33
Total Assets		2,803.08	4,438.23
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	18	60.00	60.00
(b) Other Equity	19	(8.64)	870.82
Sub total		51.36	930.82
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Trade payables -MSME		-	-
(ii) Trade payables -Others	21	991.18	993.29
(iii) Other Financial Liabilities	22	38.76	45.22
(b) Provisions	23	109.00	105.34
(c) Other non-current liabilities	24	7.37	8.39
Sub total		1,146.31	1,152.24
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	896.23	1612.29
(ii) Trade payables -MSME		-	-
(iii) Trade payables -Others	21	184.82	215.34
(iv) Other Financial Liabilities	22	377.86	407.87
(b) Provisions	23	23.74	31.81
(c) Other current liabilities	24	122.76	87.86
Sub total		1,605.41	2,355.17
Total Equity and Liabilities		2,803.08	4,438.23

Significant Accounting Policies and the accompanying notes 1 to 61 form an integral part of accounts.

As per our report of even date attached

For Thakur, Vaidyanath Aiyar & Co.

Chartered Accountants

Firm Reg. No. 000038N

Sd/-
(K K Upadhyay)
Partner
M. No. 096584

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

Sd/-
(Deepak CS)
Company Secretary
FCS -5060

Sd/-
(Rooma Nagrath)
GM-F & CFO

Place: New Delhi
Dated: 28.05.2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ Crore)

Particulars		Note No.	Year Ended March 31, 2019	Year Ended March 31, 2018
Income				
i)	Revenue from Operations	25	8903.44	10865.71
ii)	Other Income	26	109.63	303.19
	Total Income		9,013.07	11,168.90
Expenses				
i)	Cost of materials consumed	27	-	0.01
ii)	Purchases of Stock in trade	28	8886.81	10797.50
iii)	Change in Inventory	29	0.02	39.44
iv)	Employees' Benefit Expenses	30	100.12	105.78
v)	Finance Cost	31	155.59	179.34
vi)	Depreciation & Amortization Expenses	32	15.14	16.02
vii)	Other Expenses	33	38.07	27.11
	Total expenses		9,195.75	11,165.20
Profit before exceptional items and tax			(182.68)	3.70
	Exceptional Items -Expense/(Income)	34	714.44	(29.89)
Profit Before Tax			(897.12)	33.59
	Tax expense	35		
(i)	Current tax		-	3.43
(ii)	Tax related to earlier years		(16.04)	(8.70)
Profit for the Year from continuing operations			(881.08)	38.86
Profit from discontinued operations after tax			-	-
I	Profit for the Year		(881.08)	38.86
II	Other Comprehensive Income			
i)	Items that will not be reclassified to profit or loss			
	- Remeasurements of the defined benefit plans		1.62	3.47
	Less: Income Tax on Above		-	1.67
ii)	Items that will be reclassified to profit or loss		-	-
	Other Comprehensive Income		1.62	1.80
	Total Comprehensive Income for the Year		(879.46)	40.66
	Earnings per equity share			
(1)	Basic		(146.85)	6.48
(2)	Diluted		(146.85)	6.48

Significant Accounting Policies and the accompanying notes 1 to 61 form an integral part of accounts.

As per our report of even date attached

For Thakur, Vaidyanath Aiyar & Co.

Chartered Accountants

Firm Reg. No. 000038N

Sd/-
(K K Upadhyay)
Partner
M. No. 096584

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

Sd/-
(Rooma Nagrath)
GM-F & CFO

Sd/-
(Deepak CS)
Company Secretary
FCS -5060

Place: New Delhi
Dated: 28.05.2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ Crore)

Particulars		For the Year Ended 31 st March, 2019	For the Year Ended 31 st March, 2018
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit /(Loss) Before Tax	(897.12)	33.59
	Adjustment for:		
	-Interest on working capital loans	155.49	178.68
	-Depreciation	15.14	16.00
	-Net write off of Debts/Advances/claims/Liabilities	628.06	(29.15)
	-Income/Expenditure relating to let out property	(41.41)	(31.15)
	- Interest Income on fixed deposits/Investments	(17.84)	(1.31)
	-Loss on sale of asset	0.03	0.01
	-Profit on sale of assets	(0.10)	739.37
		(0.08)	133.00
	Operating Profit Before Working Capital Changes	(157.75)	166.59
	Adjustment for:		
	-Trade and other receivables	1,585.86	(128.31)
	-Inventories	0.09	39.46
	-Trade and other payables	(39.63)	164.83
	-Transfer/Adjustment of Reserves	-	(42.33)
	Changes In Working Capital	1,388.57	200.24
	Income Tax Paid	(18.12)	7.98
	Net Cash Generated/Used In Operating Activities (A)	1,370.45	208.22
B	CASH FLOW FROM INVESTING ACTIVITIES		
	-Purchase of Fixed Assets	(0.65)	(1.62)
	-Sale of Fixed Assets	0.75	5.05
	-Proceeds Received	(32.73)	-
	-Interest received	17.84	-
	-Let out properties (net)	41.41	31.15
	Net Cash From Investing Activities (B)	26.62	34.58
C	CASH FLOW FROM FINANCING ACTIVITIES		
	-Increase in Working Capital Loan(net)	(745.34)	(50.42)
	-Interest Paid	(155.49)	(178.68)
	Net Cash From Financing Activities (C)	(900.83)	(229.10)
	Net Increase/Decrease In Cash And Cash Equivalents (A+B+C)	496.24	13.70
	Reconciliation of Cash & Cash Equivalents		
	Closing Cash & Bank Balances as per Balance Sheet	516.83	20.59
	Opening Cash & Bank Balances as per Balance Sheet	20.59	6.89
	Cash & Bank Balances as per Cash Flow Statement	496.24	13.70
	Cash & cash equivalents as per Balance Sheet	629.99	101.14
	Less: Non readily convertible Bank Deposits	506.64	80.55
	Cash & cash equivalents as per cash flow statement	123.35	20.59
	Cash & cash equivalents includes unpaid dividend	0.05	0.08

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

Significant Accounting Policies and the accompanying notes 1 to 61 form an integral part of accounts.

As per our report of even date attached

For Thakur, Vaidyanath Aiyar & Co.

Chartered Accountants

Firm Reg. No. 000038N

Sd/-
(K K Upadhyay)
Partner
M. No. 096584

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

Sd/-
(Rooma Nagrath)
GM-F & CFO

Sd/-
(Deepak CS)
Company Secretary
FCS -5060

Place: New Delhi
Dated: 28.05.2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(i) Equity Share Capital

(₹ Crore)

Particulars	No. of shares (in Crore)	Face Value (₹)	Amount
Balance as at April 1, 2017	6.00	10.00	60.00
Changes in share capital during 2017-18	-	-	-
Balance as at March 31, 2018	6.00	10.00	60.00
Changes in share capital during 2018-19	-	-	-
Balance as at March 31, 2019	6.00	10.00	60.00

(ii) Other Equity

(₹ Crore)

Particulars	Reserves and Surplus						Total
	General Reserve	Capital Reserve	Retained Earnings	Exchange Fluctuation Reserve	Bonus Reserve	Other Reserve (Revaluation Reserve)	
Balance at April 1, 2017	59.88	1.00	(121.84)	6.50	-	884.60	830.14
Total Comprehensive Income for the year	-	-	40.66	-	-	-	40.66
Transfer to Bonus Reserve (Set on)	-	-	-	-	-	-	-
Transfer from Bonus Reserve (Set off)	-	-	-	-	-	-	-
Prior Period Adjustment	-	-	0.02	-	-	-	0.02
Balance at March 31, 2018	59.88	1.00	(81.16)	6.50	-	884.60	870.82
Total Comprehensive Income for the year	-	-	(879.46)	-	-	-	(879.46)
Transfer to Bonus Reserve (Set on)	-	-	-	-	-	-	-
Transfer from Bonus Reserve (Set off)	-	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-	-
Balance at March 31, 2019	59.88	1.00	(960.62)	6.50	-	884.60	(8.64)

As per our report of even date attached
For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
Firm Reg. No. 000038N

Sd/-
(K K Upadhyay)
Partner
M. No. 096584

Sd/-
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Sd/-
(Rooma Nagrath)
GM-F & CFO

Sd/-
(Deepak CS)
Company Secretary
FCS -5060

Place: New Delhi
Dated: 28.05.2019

NOTES TO THE FINANCIAL STATEMENTS 2018-19

1. CORPORATE INFORMATION

The State Trading Corporation of India Ltd. (STC) is a public limited company registered in India under the provisions of Companies Act applicable in India. Its shares are listed in two recognised stock exchanges in India. The registered office of the company is located at Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi - 110001. The Company is engaged in the Trading Business i.e. import and export in bulk commodities of rice, wheat, sugar, pulses, edible oils, fertilisers, coal, bullion, etc. either on behalf of Government/s or Private parties.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENT

i) Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules comply in all material aspects with the relevant provisions of the Companies Act 2013 and other accounting principal generally accepted in India.

ii) Basis of measurement

The financial statements have been prepared under the historical cost convention on accrual basis except for certain financial assets and liabilities which are measured at fair value or amortized cost at the end of each financial year.

iii) Critical Accounting Estimates / Judgments

In preparing these standalone financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates where necessary are recognized prospectively.

Significant areas of estimation and judgments (as stated in the respective Accounting Policies) that have the most significant effect on the Financial Statements are as follows:

- a. Impairment of Assets
- b. Measurement of useful life and residual values of property, plant and equipment and the assessment as to which components of the cost may be capitalized.
- c. Recognition and measurement of defined benefit obligations
- d. Measurement of Fair Values and Expected Credit Loss (ECL)
- e. Judgment is required to ascertain whether it is probable or not that an outflow of resources embodying economic benefits will be required to settle the taxation disputes and legal claim.

iv) Operating cycle & classification of Current & Non-Current

The Company is in Trading Business, there is no specific operating cycle; however, 12 months period has been adopted as "the Operating Cycle" in-terms of the provisions of Schedule III to the Companies Act 2013. Accordingly, current liabilities and current assets include the current portion of non-current financial liabilities and assets.

v) Functional Currency

The stand alone financial statements are presented in Indian Rupee (INR) which is company's presentation and functional currency and all values are in nearest Crore (up to two decimal) unless otherwise stated.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, Plant & Equipments (PPE)

- a) The cost of an item of PPE 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.
- b) 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.

- c) 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.
- d) The company has elected to continue with carrying value of PPE from the date of transition.

3.2 Intangible Assets

- a) 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.
- b) Intangible assets acquired separately are measured on initial recognition at cost. Cost comprises purchase price, import duties, non-refundable purchase tax, after deducting tax recoverable, 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.
- c) All Intangible Assets (Computer Software's) are stated at carrying value from the date of transition.

3.3 Investment Property

Investment Properties are properties held to earn rentals and / or for capital appreciation. Investment properties are measured initially at cost including transaction cost. Subsequently, Investment property are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is provided as per policy of the company for the same. Any gain or loss on disposal is recognized in Statement of Profit & Loss.

3.4 Depreciation / Amortization

Depreciation is provided on Straight Line Method over the useful life of assets as per Schedule II of Companies Act 2013, keeping a residual value of 5% of the original cost except for the assets mentioned below:

- i. Intangible items are depreciated / amortized over a period of 2.5 years.
- ii. Land on perpetual lease is not amortised.
- iii. In case, life has not been prescribed under Schedule II of the Companies Act, the same have been determined by technically qualified person and approved by the Board of Directors keeping a residual value of 5% of the original cost. The details of such assets & estimated useful life are as under :

S.No.	Description of Assets	Estimated life in years
1.	Components: HVAC plant	
a)	Chiller Unit	15
b)	Piping work	15
c)	Air handling work	10
d)	Other components	15

- iv. Lease hold assets are amortised over the lease period.

Depreciation method, useful lives and residual value are reviewed by the management at each year end.

3.5 Impairment of Non-Financial Assets

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.

3.6 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.

A. Finance lease

- i. A lease is classified as finance lease or operating lease at the inception date. Leases of property, plant and equipment that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance lease.
- ii. Assets held under finance lease are initially capitalized at the fair value at the inception of lease or at the present value of the minimum lease payments whichever is lower.
- iii. Minimum lease payments made under finance lease are apportioned between the finance costs and the reduction of the outstanding liability treated as loan. The finance cost is allocated to each period during the lease term. However, if they are directly attributable to qualifying assets, then they are capitalized in accordance with the company's general policy on borrowing cost.
- iv. 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.

B. Operating Lease

- i. 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. Operating lease income is recognized on a straight-line basis over the lease term of relevant lease.

3.7 Inventories

- a) Inventories are carried at lower of cost and net realizable. Cost is determined as under :
- b) Inventories are valued on yearly weighted average method except items handled on back to back basis which are valued on actual cost as per specific identification method.
- c) Goods-in-transit is valued at CIF cost.
- d) 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.

3.8 Revenue Recognition

IND AS 115 addresses the recognition of revenue from customer contracts and impacts on the amounts and timing of the recognition of such revenue.

Revenue from sale of goods, commodities and any other products are recognised when all following conditions are satisfied:

- i. Neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold is retained.
- ii. Significant risk and rewards of ownership of the goods have been transferred to the buyer.
- iii. The amount of revenue is measured reliably.
- iv. It is probable that the economic benefits associated with the transactions will flow to the company.
- v. The cost incurred or to be incurred in respect of transaction can be measured reliably.
- vi. If there are any trade discounts and volume rebate, with respect to revenues from the sale of products and commodities are deducted from revenues.
- vii Revenues are measured at fair value of consideration received or recoverable.

a) Revenue from Operating Activities

- Revenues from operating activities include revenues relating to various trading transactions in which the company is act as principal, carries commodity inventories. These revenues are mainly from sale of fertilisers, food grains, metals and other products.

- **Margins on Operating Transactions**

Margins on operating transactions also include revenue from various trading activities in which company acts as a principal or an agent. Through its trading activities, the company facilitates its customers' purchase and sale of commodities/bullion and other products and charge a fixed margin as agreed.

- The company also facilitates conclusion of the contracts between suppliers / manufacturers and customers and delivery of the products between suppliers and customers. Revenue from such activities are recognised when the contracted services are rendered / goods are supplied to third parties / customers pursuant to the agreements.

The IND AS 115 introduced a five-step approach to revenue recognition – identifying the contract; identifying the performance obligations in the contract; determining the transaction price; allocating that transaction price to the performance obligations; and finally recognising the revenue as those performance obligations are satisfied. IND AS 115 did not have a material impact due to the nature of the business & services provided – the cycle from order through to delivery of these services is generally short. The other businesses, the methodology adopted for revenue recognition under IND AS 115 was not materially different from the previous IND AS for Revenue recognition.

i Dividend and Interest Income

Dividend income is recognized when the Company's right to receive dividend is established.

Interest income from a financial asset is recognized using the effective interest rate (EIR) method.

ii Claims

Claims (including interest on outstanding) are recognized at cost when there is a reasonable certainty regarding its ultimate collection.

iii. Revenue Recognition on Actual Realization

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

- a) Export benefits.
- b) Interest realisable from the items handled on Government account.

3.9 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).

3.10 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

A 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.

3.11 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:
 - i) Provision for gratuity, leave encashment and half pay leave are determined on the basis of actuarial valuation using the projected unit credit method.
 - ii) Liability towards post retirement medical benefit is provided based on actuarial valuation as 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.

3.12 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.

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.

3.13 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.

3.14 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.

3.15 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.

3.16 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.

As per our report of even date attached

For Thakur, Vaidyanath Aiyar & Co.

Chartered Accountants

Firm Reg. No. 000038N

Sd/-
(K K Upadhyay)
Partner
M. No. 096584

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DIN -06466326

Sd/-
(Rooma Nagrath)
GM-F & CFO

Place: New Delhi
Dated: 28.05.2019

Sd/-
(Deepak CS)
Company Secretary
FCS -5060

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

4 Property, Plant and Equipment

For the year ended March 31, 2019

(₹ Crore)

Particulars	GROSS BLOCK				DEPRECIATION & AMORTIZATION				ACCUMULATED IMPAIRMENT				NET BLOCK
	Gross carrying value as at April 01, 2018	Additions	Disposal/ adjustments	Gross carrying value as at March 31, 2019	Accumulated depreciation as at April 01, 2018	Additions	Disposal/ (adjustments)	Accumulated depreciation as at March 31, 2019	As on April 01, 2018	Additions	Disposal/ adjustments	As at March 31, 2019	Carrying Value as at March 31, 2019
Tangible Assets -Freehold													
Land	9.90	-	-	9.90	-	-	-	-	-	-	-	-	9.90
Building	108.04	-	(0.22)	108.26	10.71	5.34	(0.01)	16.06	0.19	-	-	0.19	92.01
Plant & Machinery	8.24	1.49	0.08	9.65	1.36	0.61	-	1.97	-	-	-	-	7.68
Furniture & Fixtures	1.11	-	0.06	1.05	0.31	0.15	0.03	0.43	-	-	-	-	0.62
Motor Vehicle	0.99	-	-	0.99	0.22	0.12	-	0.34	-	-	-	-	0.65
Office Equipment	0.50	-	0.07	0.43	0.23	0.09	0.04	0.28	-	-	-	-	0.15
Computers, data processing units & communication equipment	0.89	-	0.03	0.86	0.50	0.20	0.02	0.68	-	-	-	-	0.18
Electrical Installations & Equipment	3.15	0.35	0.01	3.49	0.64	0.40	0.01	1.03	-	-	-	-	2.46
Other Assets held for Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (A)	132.82	1.84	0.03	134.63	13.97	6.91	0.09	20.79	0.19	-	-	0.19	113.65
Tangible Assets -Leasehold													-
Land	388.75	-	-	388.75	0.41	0.20	-	0.61	-	-	-	-	388.14
Building	99.04	-	-	99.04	6.96	2.75	-	9.71	-	-	-	-	89.33
Roads, culverts & sewerage etc	0.17	-	-	0.17	0.04	0.02	-	0.06	-	-	-	-	0.11
Plant & Machinery	3.39	-	-	3.39	0.68	0.34	-	1.02	-	-	-	-	2.37
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (B)	491.35	-	-	491.35	8.09	3.31	-	11.40	-	-	-	-	479.95
Total (A+B)	624.17	1.84	0.03	625.98	22.06	10.22	0.09	32.19	0.19	-	-	0.19	593.60
Previous year	628.32	0.32	4.47	624.17	11.11	10.96	0.01	22.06	-	0.19	-	0.19	601.92

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(a) Title/Lease deed in respect of following properties is pending for execution

i. Leasehold Land

- Lease hold land includes land measuring 2.599 acres allotted by L&DO vide "Memorandum of Agreement for Lease" dated 05.12.1975 for construction of office building i.e. Jawahar Vyapar Bhawan at Janpath, New Delhi for which lease deed is yet to be executed in the name of the Company.
- Lease hold land includes land measuring 16.17 acre (50% share of total Land 32.33 acre allotted in the joint name of STC & MMTC) by L& DO/DDA vide Memorandum of Agreement dated 5th Feb, 1968 for construction of Housing Colony at Aurbindo Marg, New Delhi. The lease deed demarcating 50% area of allotted leasehold land in the name of the company is yet to be made.
- Lease hold land includes a plot at Mallet Bunder, Mumbai Port Trust (where STC has a Tank Farm Installation) for which lease period has expired and is yet to be renewed.

ii. Freehold Building

- Freehold Building includes house building at Asian Games Village Complex (AGVC) allotted by DDA vide allotment letter dated 30.05.1984 for which title deed is yet to be executed in the name of the Company.
- Free hold building includes 7 apartments in Mumbai (Located 2 at Wallace Apartment Grant Road, 3 at Mandar Apartment, 1 at Shyamsadan at Khar (West) and 1 at Las Palmas, Malabar hills) for which conveyance deed in the name of company is yet to be executed.

(b) No Adjustment in respect of area and value has been made for following lands as the amount of compensation and execution of documents for this purpose are still pending

- i. 325.685 square metres taken by NDMC for widening of roads during Asian Games and 388.91 square metres taken by DMRC for construction of Metro / Metro Station out of the total leasehold land allotted by L& DO to STC for construction of office building at (Jawahar Vyapar Bhawan) Tolstoy Marg, Janpath, New Delhi. The Company is in the process of updating the same in Fixed Assets Register / Schedule in respect of its area & value.
 - ii. 4 blocks having 64 flats located at STC housing colony, Aurbindo Marg, New Delhi sold to HHEC for which impact in FAR/FAS is to be given. Further, the measurement of physical position is under consideration.
- (c) As approved in the 436th Board Meeting dated 12th August 1991 for the sale of "Office Space in the Jawahar Vyapar Bhawan Building" total Office Space measuring 67,418 sq.ft. were sold to CCIC & HHEC. However, execution of sale deed for sale of office space in the name of CCIC & HHEC is yet to be done. The Company is considering for the measurement of physical position of land and accordingly updation of the area and value in Fixed Assets Register/ Schedule against cost of land & building is to be updated.

5 Capital Work- In- Progress

For the year ended March 31, 2019

(₹ Crore)

Particulars	Balance as at April 01, 2018	Additions/ (Adjustments) during the year	Capitalized during the year	Balance as at March 31, 2019
Office Building	0.06	(0.06)	-	-
Plant & Equipment	0.73	(0.48)	0.20	0.05
Office Equipment	0.80	(0.77)	-	0.03
Others	0.21	0.13	0.34	-
Intangible Assets under Development	0.30	(0.01)	-	0.29
Total	2.10	(1.19)	0.54	0.37
Previous Year	1.26	1.29	0.45	2.10

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

6 Investment Property

For the year ended March 31, 2019

(₹ Crore)

Particulars	FREEHOLD		LEASEHOLD		Total
	Land	Building	Land	Building	
Gross carrying value as at April 1, 2018	16.14	4.24	204.05	97.72	322.15
Additions	-	-	-	-	-
Disposal/adjustments	-	0.23	-	-	0.23
Gross carrying value as at March 31, 2019	16.14	4.01	204.05	97.72	321.92
Accumulated depreciation as at April 1, 2018	-	0.16	1.25	8.21	9.62
Additions	-	0.09	0.62	4.14	4.85
Disposal/(adjustments)	-	0.01	-	-	0.01
Accumulated depreciation as at March 31, 2019	-	0.24	1.87	12.35	14.46
Impairment as at April 1, 2018	-	0.02	-	-	0.02
Additions	-	-	-	-	-
Disposal/adjustments	-	-	-	-	-
Impairment as at March 31, 2019	-	0.02	-	-	0.02
Carrying Value as at March 31, 2019 *	16.14	3.75	202.18	85.37	307.44

* During the year no fair value measurement of Investment property has been carried out, as there is no significant fluctuation in the open market.

Amounts recognized in the statement of profit & loss for investment properties

(₹ Crore)

Particulars	for the year ended March 31, 2019	for the year ended March 31, 2018
Rental income derived from Investment Properties	48.60	41.28
Direct operating expenses from property that generated rental income	(7.19)	(10.37)
Profit from investment properties before depreciation	41.41	30.91
Depreciation	(4.85)	(4.82)
Profit from investment properties	36.56	26.09

7 Intangible Assets

For the year ended March 31, 2019

(₹ Crore)

Particulars	Computer Softwares	Others (specify Nature)	Total
Gross carrying value as at April 1, 2018	0.14	-	0.14
Additions	-	-	-
Disposal/adjustments	-	-	-
Gross carrying value as at March 31, 2019	0.14	-	0.14
Accumulated amortisation as at April 1, 2018	0.04	-	0.04
Additions	0.08	-	0.08
Disposal/adjustments	-	-	-
Accumulated amortisation as at March 31, 2019	0.12	-	0.12
Carrying Value as at March 31, 2019	0.02	-	0.02

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

8 Investments

(₹ Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
Long Term		
Unquoted Investments		
Investment in Equity instrument ~ Subsidiary *		
STCL Limited (100% Holding)		
1,50,000 (Fully paid up Equity shares of ₹100 each)	2.82	2.82
Less: Impairment in value of Investment	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
Less: Impairment in value of Investment	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
Less: Impairment in value of Investment	0.10	0.10
Net	-	-
Maharashtra Small Scale Industries Development		
10,000 (Fully paid up Equity shares of ₹100/-each)	0.10	0.10
Less: Impairment in value of Investment	0.10	0.10
Net	-	-
Andhra Pradesh State Trading Corporation		
100 (Fully paid up Equity shares of ₹1000/-each)	0.01	0.01
Less: Impairment in value of Investment	-	-
Net	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

* The union cabinet has approved in its meeting dated 13th August, 2013 for winding up of Subsidiary M/s. STCL Limited. Accordingly, the subsidiary has filed winding up petition on 26.11.2013 before Hon'ble High Court of Karnataka. However, the Bankers of Subsidiary has also filed petition against such winding up petition as their dues are pending for recovery. The case is still pending before Hon'ble High Court of Karnataka.

However, full amount of investment in the Subsidiary (100 % Subsidiary of STC) amounting to ₹2.82 Crore (₹2.82 Crore) has been provided for (retaining a nominal value of ₹1/-) as the net worth of the subsidiary has been eroded completely.

** Investment of ₹0.10 Crore (₹0.10 Crore) in a Joint Venture Company (NSS Satpura Agro Development Co. Ltd.) has been fully provided for as the Net Worth of the Company has been eroded completely .

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

9 Trade Receivables

(₹ Crore)

	Particulars	As at March 31, 2019	As at March 31, 2018
A	Non Current		
	I. Secured ~ Considered good *	11.34	11.33
	II. Unsecured Considered good	955.64	953.22
	III. Having Significant increase in credit risk **	-	-
	IV. Credit Impaired	620.44	620.01
	Sub-total	1,587.42	1,584.56
	Less: Allowance for bad and doubtful receivables	620.44	620.01
	Total (A)	966.98	964.55
B	Current		
	I. Secured, Considered good *	6.96	40.11
	II. Unsecured Considered good	113.71	2,180.78
	III. Having Significant increase in credit risk **	-	-
	IV. Credit Impaired	8.75	5.13
	Sub-total	129.42	2,226.02
	Less: Allowance for bad and doubtful debts	8.75	5.13
		120.67	2,220.89
	Total (B)	120.67	2,220.89
	Total (A+B)	1,087.65	3,185.44

* Trade receivables are secured against pledged stock and immovable property etc..

** Out of the total trade receivable of ₹1087.65 Crore includes ₹974.78 Crore "having significant increase in credit risk" being under dispute/litigation (for details of major legal cases refer note no. 38).

Trade receivables against which dispute/legal proceedings are under process, have been considered as "Having Significant increase in credit risk". The company feels that even if no amount would eventually be recovered, no credit impairment is required for the credit risk since the creditor will be paid by the company only to the extent the amount is realized from the debtors. Further, for remaining balance of ₹112.87 Crore, management is hopeful for recovery hence no provision is considered necessary

10 Loans

	Non-current		
A.	Security Deposits		
	I. Secured, considered good	0.28	0.28
	II. Unsecured, considered good	1.61	3.48
	III. Having Significant increase in credit risk	-	-
	IV. Credit Impaired	5.17	4.14
	Sub-total	7.06	7.90
	Less: Allowance for bad and doubtful advances	5.17	4.14
	Less: Fair value Adjustment-SD	0.03	0.01
	Total (A)	1.86	3.75

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(₹ Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
B. Loan to Employees		
I. Secured, considered good *	2.19	2.77
II. Unsecured, considered good	0.06	0.17
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	-	-
V. Interest accrued	4.49	5.46
Sub-total	6.74	8.40
Less: Allowance for bad and doubtful advances	-	-
Less: Fair value adjustments (Loans to employees)	1.82	2.39
Total (B)	4.92	6.01
Total (A+B)	6.78	9.76

Current		
A. Security Deposits		
I. Secured, considered good	-	-
II. Unsecured, considered good	1.14	3.28
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	-	-
Sub-total	1.14	3.28
Less: Allowance for bad and doubtful advances	-	-
Less: Fair Value Adjustment-SD	0.02	0.05
Total (A)	1.12	3.23
B. Loan to Employees		
I. Secured, considered good *	0.57	0.70
II. Unsecured, considered good	0.13	0.25
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	-	-
Add: Interest accrued	0.66	0.95
Sub-total	1.36	1.90
Less: Allowance for bad and doubtful advances	-	-
Less: Fair value adjustments (Loans to employees)	0.13	0.20
Total (B)	1.23	1.70
Total (A+B)	2.35	4.93

* Secured against Hypothecation of motor car & house property

11 Other Financial Assets

Non-current		
A. Term deposit with maturity more than 12 months		
- Term Deposit with Banks	1.90	1.79
- Term Deposit with others*	8.37	41.34
- Interest Accrued on Term Deposits	0.36	0.23
(A)	10.63	43.36

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(₹ Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
B. Claims Recoverable		
I. Secured, considered good	-	-
II. Unsecured, considered good	9.17	8.74
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	95.95	97.17
Sub-total	105.12	105.91
Less: Allowance for bad and doubtful advances	95.95	97.17
(B)	9.17	8.74
C. Deposits	0.33	0.33
D. Other Misc. advance		
I. Secured, considered good	-	-
II. Unsecured, considered good	-	-
III. Having Significant increase in credit risk		
IV. Credit Impaired	0.36	0.36
Sub-total	0.36	0.36
Less: Allowance for bad and doubtful advances	0.36	0.36
(D)	-	-
Total (A+B+C+D)	20.13	52.43
Current		
A. Interest accrued on		
- Term deposits with maturity more than 3 and upto 12 months	0.03	0.03
- Term deposits with maturity less than 3 months	-	0.01
- Interest Accrued but not due on deposits	0.14	0.08
- Treasury Bills	503.10	-
Sub-total	503.27	0.12
B. Other	-	0.11
C. Claims Recoverable		
I. Secured, considered good	-	0.83
II. Unsecured, considered good	18.33	47.53
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	-	-
Sub-total	18.33	48.36
Less: Allowance for bad and doubtful advances	-	-
(C)	18.33	48.36
Total (A+B+C)	521.60	48.59
Total (Other Financial Assets)**	541.73	101.02

* Deposit with registrar, Delhi High Court

** Note no. 11 & Note No. 14 includes ₹17.24 Crore which are under litigation against which there is corresponding credit of ₹6.84 Crore for which credit impairment is not required. Further, for remaining balance of ₹10.40 Crore, management is hopeful for recovery hence no provision is considered necessary. (for details of major legal cases, refer note no. 38).

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

12 Deferred tax assets (Net)

(₹ Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets and liabilities are attributable to the following:		
A. Deferred Tax Liability	-	-
Property, plant and equipment	2.07	2.07
Intangible assets	-	-
Sub Total	2.07	2.07
B. Deferred tax Assets		
Provisions	75.08	75.08
Other Disallowance	-	-
Sub Total	75.08	75.08
C. MAT Credit Entitlement	13.48	0.66
Net Deferred Tax (Liabilities) / Assets	86.49	73.67

Movement in deferred tax balances during the year ended 31.03.2019

Particulars	Balance as at April 01, 2018	Recognised in profit & loss
Opening Balance	73.01	73.01
Additions during the year	-	-
Deletions during the year	-	-
Closing Balance	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, 2019	As at March 31, 2018
Deferred Tax Assets		
Provisions	257.53	257.88
Carry Forward losses	158.30	12.18
Other Disallowances	15.96	20.35
Sub Total	431.79	290.41
Deferred Tax Liabilities		
Property Plant & Equipment	86.55	0.25
Sub Total	86.55	0.25
Change in tax rate effect not recognized	4.07	3.53
Total	349.31	293.69

Recognized MAT credit available to Company in future years

2014-15 (Credit available up to Financial Year 31.03.2025)	4.01	0.67
2016-17 (Credit available up to Financial Year 31.03.2027)	7.59	-
2017-18 (Credit available up to Financial Year 31.03.2028)	1.88	-
Total	13.48	0.67

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

13 Tax Assets (Net)

(₹ Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Current Tax Assets		
Advance Tax including TDS	215.61	200.96
Current Tax Liabilities	-	-
Income Tax Payable/Provision	187.71	190.94
Total	27.90	10.02

14 Other Assets (Non-Financial)

Non-Current		
A. Capital Advances	-	-
I. Secured, considered good	-	-
II. Unsecured, considered good	0.99	0.27
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	-	-
Sub-total	0.99	0.27
Less: Allowance for bad and doubtful advances	-	-
(A)	0.99	0.27
B. Trade Advances		
I. Secured, considered good	-	-
II. Unsecured, considered good	-	-
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	92.36	92.30
Sub-total	92.36	92.30
Less: Allowance for bad and doubtful advances	92.36	92.30
(B)	-	-
C. Other Misc. Advances		
I. Secured, considered good	0.26	0.26
II. Unsecured, considered good	0.03	0.08
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	0.01	-
Sub-total	0.30	0.34
Less: Allowance for bad and doubtful advances	0.01	-
(C)*	0.29	0.34

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(₹ Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
D. Security Deposits		
I. Secured, considered good	-	-
II. Unsecured, considered good	4.37	4.33
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	0.87	0.87
Sub-total	5.24	5.20
Less: Allowance for bad and doubtful advances	0.87	0.87
(D)	4.37	4.33
E. Deferred Employee cost due to Fair Valuation	1.78	2.32
F. Deferred Fair Valuation Loss- Deposit Receivable	0.03	0.01
G. Claims Recoverable		
I. Secured, considered good	-	-
II. Unsecured, considered good	-	2.59
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	4.18	4.18
Sub-total	4.18	6.77
Less: Allowance for bad and doubtful advances	4.18	4.18
(G)	-	2.59
Total (A to G)	7.46	9.86
Current		
A. Trade Advances		
I. Secured, considered good	-	-
II. Unsecured, considered good	-	6.66
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	-	-
Sub-total	-	6.66
Less: Allowance for bad and doubtful advances	-	-
(A)	-	6.66
B. Other Misc. Advances		
I. Secured, considered good	2.51	5.05
II. Unsecured, considered good	1.29	-
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	0.26	0.26
Sub-total	4.06	5.31
Less: Allowance for bad and doubtful advances	0.26	0.26
(B)*	3.80	5.05

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(₹ Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
C. Other		
Prepaid Expenses	0.44	0.37
TA Advances	0.02	0.05
Advance for expenses	2.21	8.23
GST Input	7.36	4.58
VAT Receivable - Input/Service Tax Credit	0.01	0.02
Other	0.20	0.23
Deposits	-	0.01
(C)	10.24	13.49
D. Deffered Employee cost due to Fair Valuation	0.17	0.26
E. Deffered Fair Valuation Loss- Deposit Receivable	0.01	0.05
Total (A to E)	14.22	25.51

*Refer foot note to note no. 11 for advances and claims recoverables amounting to ₹4.09 Crore (not provided for).

15 Inventories

A. Stock in trade including with handling agents/local agent	-	0.01
B. Stores and spares	0.06	0.12
C. Packing Materials	0.05	0.05
D. Stationery	0.05	0.06
E. Others	-	0.01
Total	0.16	0.25

16 Cash & Cash Equivalents

Balances with Banks	-	-
- Cash Credit account - Debit Balance	0.21	0.07
- Current Accounts	13.52	20.52
Sub-total	13.73	20.59
Other Bank Balances		
- Term Deposits with maturity upto 3 months	109.62	78.20
Sub-total	109.62	78.20
Total	123.35	98.79

17 Bank Balances

Current		
a. Balances with Banks		
- Unpaid Dividend Balance Account	0.05	0.08
- As Margin money/under lien	1.05	2.27
- In term deposits with maturity more than 3 and upto 12 months	2.44	-
Total	3.54	2.35

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

18 Equity Share Capital

(₹ Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorized		
Equity shares		
20,00,00,000 equity shares of ₹10/- each	200.00	200.00
Issued, subscribed and fully paid		
Equity shares		
6,00,00,000 equity shares of ₹10/- each	60.00	60.00
	60.00	60.00

Reconciliation of share Capital

Opening Equity Shares	60.00	60.00
Add: -No. of Shares, Share Capital issued/ subscribed during the period	-	-
Closing balance	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
- Others	-	-

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

19 Other Equity

General Reserve		
Balance as per last financial statements	59.88	59.88
Closing Balance	59.88	59.88
Capital Reserve		
Balance as per last financial statements	1.00	1.00
Closing Balance	1.00	1.00
Retained Earnings		
Balance as per last financial statements	(81.16)	(121.84)
Add: Profit for the year	(879.46)	40.66
Prior Period Adjustment	-	0.02
Closing Balance	(960.62)	(81.16)
Revaluation Reserves		
Balance as per last financial statements	884.60	884.60
Closing Balance	884.60	884.60
Exchange Fluctuation Reserves		
Balance as per last financial statements	6.50	6.50
Closing Balance	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	(8.64)	870.82

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

20 Borrowings

(₹ Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Current	-	-
I. Working Capital Loans:	-	-
a. From banks	-	-
- Cash Credit	854.64	1,404.17
- Working Capital Demand Loan	41.59	208.12
Total	896.23	1,612.29

- (i) Bank borrowings are secured against current assets of the Company on pari- passu basis.
- (ii) STC is in continuing default from November 2017 onwards, in the repayment of principal amount of Banks Loans and interest thereon ₹1925.09 Crore (as on 31.12.2018). Lender Banks have jointly filed case in DRT and one of the Lender Bank has also filed a case in NCLT. However, company has approached the banks for settlement and ₹900 Crore has also been paid (on 29.03.2019) to the Lead banker of Joint Lender Forum Banks.
- (iii) As stated above, the company is in the process of OTS (One Time Settlement) with the Banks against the outstanding dues as on 31.12.2018 at ₹1925.09 Crore (subject to reconciliation). Hence provision for interest after December 2018 has not been made.

Name of Banks	Amount defaulted (principal & interest thereon)	Period of default (no. of days)
Syndicate Bank	355.27	365
Indian Overseas Bank	243.57	365
Union Bank of India	172.30	396
Indian Bank	123.81	396
EXIM Bank	93.06	365
Bank of Baroda	34.95	284
UBI (Kumily)	1.28	396
Balance as on 31.03.2019	1,024.24	

21 Trade Payable

Non Current		
a) Bill Acceptances	13.08	12.34
b) Trade Payables	978.10	980.95
Total (A)	991.18	993.29
Current		
a) Trade Payables	184.82	215.34
Total (B)	184.82	215.34
Total (A+B)*	1,176.00	1,208.63

* Above Trade payable includes ₹1071.14 Crore to be paid only on realization from the outstanding receivables due to back to back payment arrangement. (for major legal cases refer note no. 38).

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

22 Other Financial Liabilities

(₹ Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
a. Advance from customer	1.80	1.80
b. Customers at Credit	5.15	13.38
c. Other liabilities		
- Outstanding liabilities for goods & services received	8.32	3.58
- Deposits	8.73	8.24
- Security Deposits from		
: a Subsidiary	0.02	3.69
: Others	1.71	2.40
Less: Security Deposit Payable Adjustment	(0.15)	(1.21)
- Earnest money deposits	1.75	1.75
d. Employees' dues		
- Earned leaves	11.43	11.58
- Undisbursed Salary	-	0.01
Total	38.76	45.22
Current		
a. Advance from customers	0.01	0.23
b. Customers at Credit	72.24	57.79
c. Unclaimed dividend	0.05	0.08
d. Interest accrued but not due on borrowings	-	-
e. Interest accrued and due on borrowings	28.61	6.02
f. Current Maturities of Long Term Borrowings	99.40	151.28
g. Other liabilities	-	-
- Outstanding liabilities for goods & services received	129.90	107.85
- Deposits	1.38	0.79
- Security Deposits from		
: a Subsidiary	-	-
: Others	6.38	15.85
- Security Deposits (Fair Value Adjustment)	-	(0.06)
- Earnest money deposits	34.33	65.09
h. Employees' dues		
- Pay & Allowances	0.08	0.11
- Other expense	0.39	0.32
- Dues to employees on accrual basis	2.60	0.17
- Earned leaves	2.42	2.27
- STC's Officers' Association	0.01	-
- Salary Saving scheme	0.01	0.01
- Thrift Society	0.01	0.02
- Undisbursed Salary	0.03	0.03
- Others (Recreational Club)	0.01	0.02
Total	377.86	407.87

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

23 Provisions

(₹ Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
Provisions for Employee Benefits		
Encashment of Half pay leave	7.95	9.65
Post Retirement medical benefits	101.05	95.69
Total	109.00	105.34
Current		
A. Provisions for Employee Benefits		
Encashment of Half pay leave	2.34	2.97
Post Retirement medical benefits	8.46	7.35
Gratuity	-	8.93
Performance Related Pay	0.01	0.01
Others	0.11	1.28
Sub Total (A)	10.92	20.54
B. Other Provisions		
Contingencies	12.82	11.27
Sub Total (B)	12.82	11.27
Total(A + B)	23.74	31.81

24 Other Liabilities (Non-Financial)

Non Current		
a. Advance from customers	0.46	0.46
b. Customers at Credit*	6.03	6.03
c. Other liabilities		
- Deferred Fair Valuation gain-Deposit Payable	0.15	1.18
- Earnest money deposits	0.73	0.72
Total	7.37	8.39
Current		
a. Advance from customers**	108.58	70.47
b. Customers at Credit	-	0.25
c. Other liabilities		
- Outstanding liabilities for goods & services received	0.48	0.47
- Liability for CSR	0.01	0.02
- Security Deposits (Deferred fair value gain)	-	0.09
d. Remittances		
- Professional Tax	0.01	0.01
- Income Tax deducted at source	1.09	0.88
- Goods & Service Tax (GST)	9.99	13.56
- Contribution to Provident Fund	2.24	1.68
- Contribution to Employees Pension Scheme - 95	0.05	0.07
- Contribution to Employees Pension Fund	0.31	0.36
Total	122.76	87.86

* Amount payable to U.P. Government is adjustable against claims of interest and carrying charges amounting ₹39.11 Crore which is under dispute and the company is in the process of initiating proceedings under AMRCD. the same has been written off from the books of account and shown as contingent assets.

** Includes advances of ₹59.28 Crore from Andhra Pradesh Police, Forest Department and State Disaster Response for supply of weaponry and equipments and ₹41.28 Crore for General Imports.

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

25 Revenue From Operations

(₹ Crore)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
(a) Sales		
Export	10.50	265.54
Imported Goods	8,437.49	10,216.50
Domestic	445.24	342.99
Sub total(A)	8,893.23	10,825.03
(b) Other operating revenue	-	-
Exchange fluctuations- gains	-	0.54
Claims:		
From Govt. of India	-	19.62
From Others	0.02	0.11
Others	10.19	20.41
Sub total(B)	10.21	40.68
Total	8,903.44	10,865.71

26 Other Income

(a) Interest income	-	-
Advance to Employees	0.39	0.56
Deposits pledged / under Lien as margin money	0.22	0.27
Other bank Deposits	11.09	1.04
Interest on Investments	6.14	-
Income Tax Refunds	-	5.16
Interest on Trade Finance/Associates :		
- Other than PCFC / EPC	46.30	260.91
Other Miscellaneous interest	0.07	0.92
Sub Total (A)	64.21	268.86
(b) Miscellaneous income		
Security Deposits forfeited	0.08	-
Rent received from Employees	0.20	0.12
Sub Total (B)	0.28	0.12
(c) Rental income	-	-
Rent Received from let-out property	42.49	35.63
Recoveries for common services from tenants	6.11	5.65
Sub Total	48.60	41.28
Less: Expenses related to let out property		
Property tax/Municipal tax	5.94	8.91
Ground Rent	0.28	0.25
Insurance Premium	0.08	0.07
Maintenance Charges	0.89	0.57
Administrative Expenses	-	0.57
Sub Total	7.19	10.37
Net rental income (c)	41.41	30.91

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(₹ Crore)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
(d) Other Receipts		
Difference in exchange other than commodity items	0.21	0.02
Misc. non Trade receipts	1.91	2.14
Amortisation income of Deferred employee advances	0.33	0.32
Amortisation income of Deferred Security deposit	1.28	0.82
Sub Total (D)	3.73	3.30
Total	109.63	303.19

27 Cost of Materials consumed

Opening balance of material	0.05	0.05
Add: Purchases made during the Year	-	0.01
Less: Closing balance of material	0.05	0.05
Total	-	0.01

28 Purchase of Stock-in-Trade

Export Purchase	10.24	250.40
Import Purchase	7,641.68	9,235.03
Domestic Purchase	439.89	339.15
Freight -Road	-	-
-Marine	0.04	9.98
Freight Reimbursement	-	2.75
Exchange fluctuation -loss	1.48	-
Insurance - General	0.09	0.16
- Marine	0.19	0.09
Customs Duty	689.47	865.87
Clearing, Handling, Survey Fee, Port & Other Charges	103.51	92.53
Sales Tax/ Sur Charge on Sales Tax/VAT	0.21	0.09
Other Expenses	0.01	1.41
Octroi/Purchase Tax Reimbursement	-	0.04
Total	8,886.81	10,797.50

29 Changes in Inventory

Stock-In-Trade		
At the beginning of Year	0.02	39.46
Less: At the end of Year	-	0.02
(B)	0.02	39.44
Changes in Inventory	0.02	39.44

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

30 Employees' Benefit Expenses

(₹ Crore)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
(a) Remuneration to Staff & Managers		
Salaries and Allowances	51.98	62.64
Encashment of Earned Leave	2.96	3.42
Encashment of Half Pay Leave	(0.52)	(0.45)
Provident fund	5.44	4.89
Employees pension scheme 95 (EPS 95)	0.64	0.77
Welfare Expenses:		
- Medical Expenses on regular employees (OPD)	0.74	1.58
- Medical Expenses on regular employees (IPD)	1.83	2.62
- Medical Expenses on retired employees (OPD)	2.66	3.04
- Medical Expenses on retired employees (IPD)	1.22	6.05
- Medical Expenses on Actuarial liability	4.67	(0.75)
- Long Service Award including at the time of Retirement	-	0.01
- Others	0.57	0.73
Gratuity	2.21	14.65
Pension	3.52	4.21
Voluntary retirement benefit*	20.36	-
Amortisation expense	0.33	0.32
Sub Total	98.61	103.73
(b) Remuneration to Directors		
Salaries and Allowances	1.13	1.30
Encashment of Earned Leave	0.08	0.07
Encashment of Half Pay Leave	0.05	0.04
Provident fund	0.08	0.08
Welfare Expenses:		
- Medical Expenses on regular employees (OPD)	0.01	0.01
- Medical Expenses on retired employees (OPD)	0.05	0.05
- Medical Expenses on retired employees (IPD)	-	0.19
- Medical Expenses on Actuarial liability	0.03	-
Gratuity	0.02	0.25
Pension	0.06	0.06
Sub Total	1.51	2.05
TOTAL	100.12	105.78

* Voluntary retirement scheme was introduced starting from 18.06.2018 to 17.07.2018 up to level of Chief Manager excluding professionals. The Voluntary Retirement scheme in the first phase was to cover maximum 80 employees on first come first serve basis. Total 101 applications were received out of which 06 applications were rejected, 07 applications were withdrawn. Application of 80 employees out of balance 88 applications was accepted and their dues have been settled.

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

31 Finance Cost

(₹ Crore)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Bank Loan : (Refer foot note (iii) to Note no. 20)		
- Working capital Demand Loan(WCDL)	43.91	44.15
- Cash Credit	110.88	134.02
- BAS/External Commercial borrowing	0.70	0.67
Business associates :		
- Other Deposits	0.01	0.25
VAT	0.03	-
Loan Processing charges	-	(0.26)
Credit Rating Expenses	-	0.08
Others	0.06	0.43
TOTAL	155.59	179.34

32 Depreciation And Amortization Expenses

Depreciation on Property Plant & Equipment (PPE)		
Freehold Building	5.34	5.35
Plant & Machinery	0.61	0.61
Furniture & Fixtures	0.14	0.15
Motor Vehicle	0.12	0.12
Office Equipment	0.08	0.11
Computers, data processing units & communication equipment	0.19	0.25
Electrical Installations & Equipment	0.40	0.37
Leasehold Land	0.20	0.20
Leasehold Building	2.75	3.38
Roads, culverts & sewerage etc (Leasehold)	0.02	0.02
Plant & Machinery (Leasehold)	0.34	0.34
Others	0.02	0.25
Sub Total	10.21	11.15
Depreciation on investment property :		
Freehold Building	0.09	0.09
Leasehold Land	0.63	0.63
Leasehold Building	4.14	4.11
Sub Total	4.85	4.82
Amortisation on intangible Assets		
Computer software	0.08	0.03
Sub Total	0.08	0.03
Impairment		
Impairment on IP (Freehold building)	-	0.02
Sub Total	-	0.02
TOTAL	15.14	16.02

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

33 Other Expenses

(₹ Crore)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
(a) Other Operating Expenses		
L/C Negotiation & Bank Charges	0.42	0.85
Godown, Plot, Tank Rent	1.03	1.42
Delivery charges	0.23	0.36
Cost of Tender	0.01	0.04
Others	-	0.03
Sub total	1.69	2.70
(b) Administration expenses		
Office Rent	1.82	2.32
Rates and Taxes:		
- Property Tax to Municipal Corporation	5.14	2.40
- Others	0.01	0.02
Electricity and Water Charges	2.71	2.52
Printing and Stationery	0.12	0.28
Postage, Telegram, Teleprinter & Telex	0.12	0.10
Telephones	0.57	0.74
Books and Yearicals	-	0.01
Repairs		
- Others	0.23	0.24
Travelling Expenses	0.62	0.84
Housing Colony Expenses	2.54	2.36
Service Vehicle Expenses	0.27	0.29
Insurance Premium	0.22	0.21
Auditors' Remuneration		
- Statutory Audit Fees	0.14	0.14
- Tax Audit Fees	0.07	0.07
- Certification fees	0.03	0.03
HRD Expenses	-	0.04
Information Technology Expenses	0.17	0.17
Conveyance Expenses	0.02	0.02
Maintenance of Office Building	0.25	0.33
Misc. Office expenses	3.97	4.29
Goods & Service Tax (GST) not to be set off	0.18	0.10
Sub total	19.20	17.52
(c) Trade Expenses		
Legal & Professional Expenses	14.55	4.32
Advertisement & Publicity	0.28	0.15
Exchange Fluctuations other than commodity items	0.87	0.07
Bank Charges	-	1.19
Entertainment expenses	0.13	0.17
Hospitality and Public Relations	-	0.01
Other Trade Expenses	0.07	0.16
Sub total	15.90	6.07
(d) Amortization Expenses		
Amortisation expenses of Deferred Security deposit	1.28	0.82
Total	38.07	27.11

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

34 Exceptional items

(₹ Crore)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
(a) Expenses		
Loss on sale of Property, Plant & Equipment (PPE)	0.03	0.01
Litigation settlement*	86.48	-
Loss of assets due to floods	-	-
Total (a)	86.51	0.01
(b) Write Offs		
Trade Receivables**	626.18	-
Deposits	-	0.16
Assets	0.03	0.11
Total (b)	626.21	0.27
(c) Provision for Doubtful debts, Loans and advances & Investment		
Trade Receivables	4.08	6.41
Claims	0.11	8.77
Loans and Advances	0.06	-
Deposits	1.03	-
Total (c)	5.28	15.18
(d) Income		
Profit on Sale of PPE	0.10	0.08
Liabilities Created in previous years written back:		
- Others	0.25	3.03
Provision Written back for doubtful amounts realized:		
- Trade Receivables	0.02	41.55
- Claims	1.30	-
- Loans and Advances	-	0.25
Provision Written back for doubtful amounts written off:		
- Claims	0.03	0.06
Write back of unclaimed credit balances	1.86	0.38
Total (d)	3.56	45.35
Total (a+b+c-d)	714.44	(29.89)

* STC has lost the case and according to award of order, amount payable to M/s Helm Dungemittel GMBH, Germany has been provided for as exceptional item i.e. ₹75.11 Crore and interest ₹11.37 Crore.

** STC has won the case and in accordance with the verdict of the Hon'ble Supreme Court the Company recovered ₹1400/- Crore against balance recoverable of ₹2026.18 Crore from Global Steel Philippines Inc./Global Steel Holding Ltd.(GSPI/GSHL). The remaining balance of ₹626.18 Crore has been written off as exceptional items.

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

35 Tax Expense

A. Tax recognised in Statement of profit and loss

(₹ Crore)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Current income tax		
Current year	-	3.43
Adjustments for prior years	(16.04)	(8.70)
Sub Total	(16.04)	(5.27)
Tax recognised in other comprehensive income		
Defined benefit plan actuarial gains (losses)	-	1.67
Total	-	1.67
Reconciliation of effective tax rates		
Particulars	As at March, 2019	As at March 31, 2018
Profit before tax	(897.12)	33.59
Tax using the company's domestic tax rate @ 34.608%	-	11.16
Prior period income adjustments	-	-
Tax Effect of :		
Permanent Differences	-	(2.94)
Unrecognised deferred tax assets/(Liabilities)	-	(4.79)
Tax Expenses for the year	-	3.43
Since the tax expense for the year is ₹NIL hence no provision for Tax on other comprehensive income is considered necessary.		

B. Tax Losses Carried forward

Particulars	As at March, 2019	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
Business Loss carried forward for F.Y. 2014-15	84.28	5 Years
Business Loss carried forward for F.Y. 2015-16	109.89	6 Years
Business Loss carried forward for F.Y. 2016-17	112.72	7 Years
Business Loss carried forward for F.Y. 2017-18	98.04	8 Years
Unabsorbed Depreciation	27.61	No Limit
Total	457.42	

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 31.03.2019 is calculated @ 34.944%

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

36 Provisions, Contingent Liabilities and Contingent Assets -Ind AS-37

(i) Contingent Liabilities (excluding interest in certain cases)

(₹ Crore)

Particulars	31.03.2019	31.03.2018
a. Claims against the company not acknowledged as debt		
(i). Court & Arbitration cases with parties *	235.86	342.98
(ii). Sales Tax	439.93	767.15
(iii). Service Tax	49.27	50.73
(iv). Income tax	6.86	2.56
(v). Custom duty	5.85	4.16
(vi). Others**	204.53	61.60
Sub Total	942.30	1,229.18

* M/s J.K. International (a foreign supplier) has a pending claim of ₹72.82 Crore including interest due to abrogation of contract by STC for import of pulses during 2008-09. The claim was disputed by STC on the ground that contract for import of Pulses was on the direction of Ministry of Consumer Affairs and the said Ministry directed STC to abrogate any balance quantity under the said contract. However, the supplier had approached for Arbitration and Award of Arbitral Tribunal was in favour of the said supplier. The company has filed an appeal against the Tribunal award before the single bench of the Hon'ble Delhi High Court. The judgement was in favour of M/s J K International against which STC has filed an appeal before the Double bench of the Hon'ble Delhi High Court. The matter is still pending hence, the same has been disclosed as contingent liability.

* STC appropriated an amount of ₹27.89 Crore recoverable from M/s Lichen Metals Pvt. Ltd.(the party) against the deposits of its holding company viz. M/s Edelweiss Pvt. Ltd. due to this, the holding co. of party had gone for arbitration and award was in their favour for the refund of ₹27.89 Crore plus interest @8% p.a. by STC excluding cost of arbitration. Against the same STC is in the process of filing an appeal before the Hon'ble High Court. Hence, the same has been shown as contingent liability.

* M/s Tanzania Commodities Pvt. Ltd. raised a claim of ₹24.46 Crore towards short supply of sugar through the associate M/s Mehak Overseas. The case is pending before the Bombay High Court. Refer note no. 38 (3) for details of M/s Mehak Overseas.

* M/s Mediterranean Shipping raised a claim of ₹7.29 Crore towards non payment of Demurrage and storage charges by M/s Mehak Overseas in two separate cases. The cases are pending before the Bombay High Court. Refer note no. 38 (3) for details of M/s Mehak Overseas.

** Includes a demand of ₹132.83 Crore raised by L & DO vide its letter No. L&DO/LS2A/9225/133 dated 26th March 2018 from 2004-05 onwards for noncompliance of various conditions of the Lease Deed (including non-deposits of 25% of the gross rent received by STC from its tenants). However, STC has disputed the demand and the matter is still is pending.

- (ii) STC had provided acceptance for discounting of export bills (export made by STC) by M/s Rajat Pharma (the party). The party discounted an amount of ₹476.47 Crore from its bankers but defaulted in making the payment. Hence, the bankers moved to DRT against the party making STC also a party to the case. The case is pending before DRT as well as under investigation by CBI. Refer note no. 38 (4).

(iii) Provisions

(₹ Crore)

Particulars	Opening balance as on 01.04.18	Additions/ Transfers during the year	Utilization during the year	Adjustment during the year	Written-back during the year	Closing balance as on 31.03.19
Contingencies	11.16	1.55	-	-	-	12.71
Total	11.16	1.55	-	-	-	12.71

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(iv) Contingent Assets

(₹ Crore)

Particulars	31.03.2019	31.03.2018
Trade Receivable/Advances/ other claims written off against which Court case is pending	331.33	336.68
Interest on delayed payment against Trade Receivables /advances /other claims	2,033.91	1,721.70
Others	94.57	302.43
Total*	2,459.81	2,360.81

* Contingent Asset consists of claims (principal and interest) against those parties where either a provision has been made or has been written off. All these case are pending at various level of court.

- (v) Maintaining of office at residence for senior officials was allowed by the Company in accordance with the approval by the Board during year 2005. The said facility was continued even after introducing cafeteria based perquisites (as per DPE guidelines) w.e.f 01.01.2007. Ministry of Commerce vide its letter dated 21.01.2016 directed STC to discontinue the existing facility and accordingly the same was discontinued by STC w.e.f 01.02.2016. Further, STC referred the matter to DPE & DOC for waiver of said excess payment of perquisites and allowances. However, DPE conveyed their inability to allow waiver from any recovery. Hence demand notices were served to the concerned serving/retired officials. According to the Legal opinion forwarded by Department of Legal Affairs affecting recoveries from concerned officials for benefits which were wrongly extended would be unfair. Ministry of Commerce had also asked for certain clarifications which have been replied by STC on 28.03.2019 and the matter is seized with DOC for consideration.

37 Commitments

(₹ Crore)

Particulars	31.03.2019	31.03.2018
(i) Capital Commitments		
PPE	7.21	2.34
Intangible Assets	0.29	0.29
Total	7.50	2.63
(ii) Other Long term Commitments		
Against Lease hold properties where STC is Lessee, refer note no. 49	-	0.92
Total	-	0.92

38 Major Legal Cases against Trade Receivables

a. Non Current Trade Receivables

- 1 STC has supplied HR Coils to M/s Conros Steel during 2009-10. Party has defaulted in making payment against one of the LC amounting to ₹12.05 Crore (LC Value ₹10.05 Crore and Interest & other expenses ₹2.00 Crore). STC has filed civil applications and criminal complaint under various sections of Indian Penal Code.

The material sold to M/s Conros Steel was pledged to STC and kept under the custody of CWC. However, another PSU viz. M/s Metal and Scrap Trading Corporation (MSTC) had made a claim in respect of ownership of 1954 MT stock (out of total quantity of 2998 MTs valuing ₹9.97 Crore) for value of ₹6.50 Crore approx. of the stock pledged to STC against which STC has filed declaratory suit in the lower court, Panvel, Navi Mumbai. The court had appointed an auctioneer to conduct the sale of pledged stock and deposit the sale proceeds with the court. The matter is still pending.

Further, the Lender institutions have initiated proceeding under NCLT against the party, STC has filed its claim of ₹28.70 Crore (incl. interest on ₹12.05 Crore shown as contingent assets) before NCLT dated 21.08.2018.

In view of the above, provision for ₹9.83 Crore has not been considered necessary.

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

- 2 STC has exported Gold jewellery to various parties of UAE against which USD 1,61,705,695 equivalent to ₹787.65 Crore is outstanding for recovery. Due to economic meltdown during F.Y. 2008-09, the buyer has defaulted in payments. However, STC has discounted 90% of the bills from EXIM Bank and paid 83.5 % to respective Indian Suppliers.

Accordingly, STC has initiated criminal and civil proceedings against local suppliers which are still pending. However, against most of the Indian suppliers, winding up orders have already been passed.

Accordingly, provision for amounting to ₹445.46 Crore has been made and balance of ₹342.19 Crore has not been provided as the same is payable to various local suppliers.

- 3 Other trade receivables include ₹41.92 Crore on account of export of various agri commodities to various foreign buyers during 2006-07 to 2009-10 out of purchase made from the Local supplier M/s Mehak Overseas under various agreement against which corresponding credit balance of ₹41.92 Crore is under trade payable. Since the party has failed to refund STC has initiated various legal steps against the party. The matter is also under investigation by CBI.

Considering the corresponding credit under trade payable of ₹41.92 Crore, no provision is considered necessary.

Further, a financial assistance of ₹75.33 Crore given by STC to M/s Mehak Overseas Ltd. (MOPL) for the purchase of Agri Commodities has already been written off during 2013-14.

- 4 Trade receivables include ₹568.44 Crore on account of export of pharma products to foreign buyers purchase from M/s Rajat Pharmaceuticals Ltd". (RPL). RPL drew bills of exchange on STC which were also accepted upon receipt of overseas buyers pre-acceptance to STC'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 Rs 62.47 Crore has been passed by Hon'ble Mumbai High Court in favour of STC against the dues from one of the foreign buyer i.e Sweetland Trading Pte Ltd. As of current date, RPL has gone into liquidation and official liquidator is appointed by Hon'ble High Court Mumbai. The matter is also under investigation by CBI. No provision is required against the same. Banks & Financial institution have filed legal suit against RPL before DRT making STC also a party to the case claiming ₹476.47 Crore.

- 5 Non-Current trade receivables includes ₹3.22 Crore from M/s Renaissance Pvt. Ltd. towards import of pet bottle material which are pledged with STC. This outstanding is against non-lifting of scrap imported in respect of last LC. STC went into arbitration which was awarded in favour of STC. However, a provision of ₹1.76 Crore to the extent of dues not covered by pledged stock, has already been made.

- 6 Other than the above, non current trade receivables includes an amount of ₹45.06 Crore due from various parties against which no provision has been made. as recovery is probable.

b. Current Trade Receivables

- 1 STC has exported 19,980 MTs Rice for amounting to USD 60,93,900 (equivalent to ₹40.65 Crore) during 2016-17 to General Authority for Supply Commodities (GASC), a Government entity of Egypt on the basis of instruction of MEA. GASC, Egypt has deducted arbitrarily USD 6,03,357.75 (equivalent to ₹4.15 Crore as on 31st March, 2019) from the total value of commercial invoice on account of fumigation and other charges and balance amount was paid.

However, STC has disputed the above said deduction and the matter has also been taken up at various forums i.e. MEA & concerned Embassies. Hence, no provision for ₹4.15 Crore has been made.

Further, the said export of Rice was from the procurement made from Food Corporation of India (FCI) and as per para 14 of the Agreement with FCI, the payment is to be made on receipts of the sale proceed from the Egyptian Buyer. Accordingly, STC has also not paid to the same extent to FCI.

- 2 STC has exported steel plates to Iranian Gas Engineering & Development Co. (IGEDC, Iran) during 2014-15 to 2016-17 for amounting to ₹2873.24 Crore under a contract which expired in January 2017 (i.e. before completion of supply of contracted quantity). As on balance sheet date ₹89.38 Crore is still outstanding for recovery. The amount outstanding will be paid by IGEDC, Iran upon the revalidation of the expired contract as referred in the tripartite meeting held in November 2017. The third party is M/s. Essar Steel Ltd (an Indian manufacturer who has taken advance directly from Iranian Party). In the opinion of the management, this amount is good for recovery; hence no provision has been made.

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

- 3 Trade receivables includes an amount of ₹10.54 Crore recoverable from M/s Dankuni Steel Ltd. against supply of met Coke during earlier years. For recovery of the dues, claim has been filed with NCLT through IRP. The company has filed legal and criminal cases against the party which are being followed up.

No provision for ₹6.96 Crore has been made as the said amount is secured by mortgage of free hold land. A provision of ₹3.58 Crore (₹3.33 Crore) has been made against the dues.

- 4 Out of the total current trade receivables includes an amount of ₹16.61 Crore due from various parties against which no provision has been considered necessary as the recovery is probable.

39 Major Legal Cases against Claims Recoverable, Trade Advances etc

a. Non Current Claims Recoverable, Trade Advances etc

- i. STC received a demand of ₹80.02 Crore from NDMC during 2016-17 towards property tax for the period from 1999-2000 to 2016-17 and the same has been allocated proportionately to CCIC & HHEC. Out of total demand STC has paid ₹22.12 Crore during 2016-17 against which CCIC has paid its share of ₹1.15 Crore. However, HHEC has not paid its share hence provision to the extent of share of HHEC out of payment of ₹22.12 Crore has already been made. STC is paying property tax for further period under protest.
- ii. Non Current Claim Recoverable includes Rs 3.92 Crore from M/s Lichen Metals (the party) out of total exchange gain of Rs 31.87 Crore paid by STC to M/s Lichen Metals due to cancellation of forward cover by the party against indent for domestic supply of Bullion. Subsequently, STC demanded for the refund of such amount which the party refused to refund. On refusal for refund, STC adjusted deposits of ₹27.95 Crore taken from holding company (M/s Edelweiss) of the party leaving a recoverable balance of Rs 3.92 Crore. However, holding company has approached for arbitration against adjustment of its deposit by STC against the dues of the party (i.e. subsidiary). Arbitration award was in favour of the holding company of the party. However, STC has filed an appeal against the arbitration award before the Hon'ble High Court which is still pending. Hence, no provision for the same has been made.
- iii. Claim recoverable includes ₹5.48 Crore (equiv. to USD 0.86 million) outstanding for recovery from M/s Samsung C&T corporation, Korea against debit note issued by STC during 2017-18 due to quality variation of Urea imported. The supplier has invoked the arbitration clause and STC has also filed its counter claim. The matter is still pending. In the opinion of Management, the amount is good for recovery hence provision for the same is not required.

40 Physical Verification

i Fixed Assets

Physical verification of Fixed Assets has been carried out during the year. Accounting impact of difference found on physical verification has already been given.

ii Inventories

Physical verification of Inventories has been carried out during the year. Accounting impact has already been given wherever excess/shortage found on physical verification.

41 Balance Confirmations & Reconciliation

Balances of certain receivables & payables (including in certain cases direct and indirect taxes) are subject to confirmation/reconciliation.

42 Related parties Disclosure- Ind AS 24

a) List of Related parties

(i) Subsidiaries

- STCL Ltd.

(ii) Joint Ventures

1. N.S.S Satpura Development Company Limited

(iii) Others

1. Sealac Agro Ventures Ltd.

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(b) Key Managerial Personnel (KMP)

Name	Designation	Remarks
Shri Rajiv Chopra	Director (Marketing)	Additional Charge of CMD w.e.f 28.11.2016
Shri S.K Sharma	Director (Personnel)	
Shri P.K Dass	Director (Marketing)	
Shri Umesh Sharma	Director (Finance) MMTC	Additional charge of STC w.e.f 04.01.2018
Shri S.C Pandey	Independent Director	w.e.f 27.03.2018
Shri Sunil Kumar	Independent Director	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 Madum	Independent Director	w.e.f 24.03.2017
Shri Bharatsingh Parmar	Independent Director	w.e.f 31.03.2017
Kamlesh Kumari	Company Secretary	w.e.f 04.01.2018
Shri S.K Singhal	Chief Financial Officer	w.e.f 05.03.2018
Smt. Rooma Nagrath	Chief Financial Officer	w.e.f 21.12.2018

(c) 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.

(d) 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.

i) Transactions with the related parties are as follows

(₹ Crore)

Subsidiaries and Joint Venture Companies	Subsidiaries		Joint Venture Companies	
Particulars	2018-19	2017-18	2018-19	2017-18
Rent Received (₹)	2,40,000	11,450	NIL	

Compensation to Key management personnel	2018-19	2017-18
- Short term employee benefits	1.49	1.50
- Post employment benefits	0.27	0.52
- Termination benefits	-	-
- Other long term benefits	0.15	0.17
Total Compensation to Key management personnel	1.91	2.20

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(₹ Crore)

Particulars	The STC of India Ltd. Employees Provident Fund Trust		STC Employee Defined Contribution Superannuation Pension Trust		STC Gratuity Fund Trust	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
STC contribution for the year	4.34	5.02	3.59	4.30	8.73	-
Outstanding Balance at the end of the year with STC	2.26	1.72	0.33	0.40	(0.97)	8.93

Transactions with the related parties under the control of the same Government

(₹ Crore)

Sl. No.	Name of the Govt. Dept./ Govt. Entity	Nature of relationship with Entity	Nature of Transaction	2018-19	2017-18
1	FCI	Govt. of India Undertaking	Export	-	0.33
2	ONGC	Govt. of India Undertaking	Rent	1.56	1.17
3	Rashtriyalspat Nigam Ltd	Govt. of India Undertaking	Domestic	-	1.66
4	NMDC Ltd	Govt. of India Undertaking	Domestic	-	0.01
5	Bharat Oman Refinery Limited	Govt. of India Undertaking	Domestic	-	12.45
6	Kerala State Civil Supplies Corporation	Govt. of India Undertaking	Sales (Tender)	4.88	10.90
7	Tamil Nadu Civil Supplies Corporation	Govt. of India Undertaking	Sales (Tender)	356.76	115.60
6	West Bengal Text Book Corporation Ltd.	Govt. of India Undertaking	Sales (Tender)	3.26	1.27
7	IRCTC	Govt. of India Undertaking	Rent	0.14	-
8	SPMC	Govt. of India Undertaking	Rent	5.28	-
	Total			371.89	143.39

ii) Outstanding balances with related parties are as follows

(₹ Crore)

Particulars	31 st March 2019	31 st March 2018
Amount recoverable towards loans	Nil	Nil
- From Subsidiaries		
- From Key Managerial personnel		
- From Others		
Amount recoverable other than loans		
- From Subsidiaries	1.94	3.69
- From Joint Ventures	Nil	Nil
- From Post employment benefit plans		
Amount Payable	Nil	Nil
- To Joint Ventures		

iii) Individually significant transactions

(₹ Crore)

Particulars	Nature of Relationship	2018-19	2017-18
Nil			

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

iv) 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	
		31 st March 2019	31 st March 2018
STCL Limited	India	100%	100%

b) Investment in Joint Venture Entities/Associates

Company Name	Country of Incorporation	Proportion of Ownership	
		31 st March 2019	31 st March 2018
NSS Satupura Development Company Limited	India	25%	25%
Richfield	Investments have been written off in earlier years		
Aquatech Ltd.			
Blue Gold Maritech Ltd.			
National Tannery Company Ltd.			
Indopirin Gloves Limited.			

43 Foreign Currency Exposure

(₹Crore)

Particulars	For the year ended March 31, 2019			For the year ended March 31, 2018		
	Foreign Currency Denomination	Amount in Foreign Currency	Amount in indian Rupees	Foreign Currency Denomination	Amount in Foreign Currency	Amount in indian Rupees
A. Receivable						
1	USD	31.49	1,400.45	USD	31.49	14.36
2	EURO	0.21	14.09	EURO	0.21	14.47
SubTotal (A)		31.70	1,414.55		31.70	28.83
B. Payable						
1	USD	1.42	57.49	USD	0.83	53.63

44 Trade Payables

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

(₹ Crore)

Particulars	2018-19	2017-18
Principal amount due to suppliers under MSMED Act, 2006	-	-
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	-	-
Note: 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.		

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

45 Disclosures in respect of Ind AS 107 - Financial Instruments

45.1 Financial Instruments by Categories

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

(a) As on March 31, 2019 (₹ Crore)

Particulars	Amortized cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Financial Assets					
Investments in Equity Instruments (Ref Note No. 8)	0.01			0.01	0.01
Cash & Cash Equivalents (Ref Note No. 16)	123.35			123.35	123.35
Bank Balances other than cash & cash equivalents (Ref Note No. 17)	3.54			3.54	3.54
Trade Receivable (Ref Note No. 9)	1,087.65			1,087.65	1,087.65
Employee Loans (Ref Note No. 10)	9.14			16.01	9.14
Security Deposits (Ref Note No. 10)	6.29			13.37	6.29
Other Financial Assets (Ref Note No. 11)	541.74			541.74	541.74
Total	1,771.72	-	-	1,785.67	1,771.72
Financial Liabilities					
Trade Payable (Ref Note No. 21)	1,176.00			1,176.00	1,176.00
Borrowings (Ref Note No. 20 & 22)	896.23			896.23	896.23
Other Financial Liabilities (Ref Note No. 22)	416.63			416.63	416.63
Total	2,488.86	-	-	2,488.86	2,488.86

(b) As on March 31, 2018 (₹ Crore)

Financial Assets					
Investments in Equity Instruments (Ref Note No. 8)	0.01			0.01	0.01
Cash & Cash Equivalents (Ref Note No. 16)	98.79			98.79	98.79
Bank Balances other than cash & cash equivalents (Ref Note No. 17)	2.35			2.35	2.35
Trade Receivable (Ref Note No. 9)	3,185.44			3,185.44	3,185.44
Employee Loans (Ref Note No. 10)	7.71			7.71	7.71
Security Deposits (Ref Note No. 10)	6.98			6.98	6.98
Other Financial Assets (Ref Note No. 11)	101.62			101.62	101.62
Total	3,402.90	-	-	3,402.90	3,402.90
Financial Liabilities					
Trade Payable (Ref Note No. 21)	1,208.63			1,208.63	101.62
Borrowings (Ref Note No. 20 & 22)	1,769.58			1,769.58	3,402.90
Other Financial Liabilities (Ref Note No. 22)	304.22			304.22	-
Total	3,282.43	-	-	3,282.43	3,504.52

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.

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

45.2 Fair Value Hierarchy

- a) Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active markets.
- b) 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).
- c) 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 :

Assets and liabilities which are measured at amortized cost for which fair values are disclosed

(a) **As on March 31, 2019** (₹ Crore)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Financial Assets						
Investment in unquoted Equity Instruments			0.01			
Loans to employees			6.15			
Security deposits			2.99			
Others			521.6			
Total Financial Assets			530.74			
Financial Liabilities						
Borrowings			896.23			
Others			377.85			
Total Financial Liabilities			1274.08			

(a) **As on March 31, 2018** (₹ Crore)

Financial Assets						
Investment in unquoted Equity Instruments			0.01			
Loans to employees			7.71			
Security deposits			6.98			
Others			48.58			
Total Financial Assets			63.27			
Financial Liabilities						
Borrowings			1612.29			
Others			407.89			
Total Financial Liabilities			2020.18			

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

45.4 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
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
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/EURO. 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 31.03.2019

(₹ Crore)

Particulars	US Dollars (in Equiv. INR)	Euro (in Equiv. INR)	Other Currencies (in Equiv. INR)	Total
Cash & cash equivalents	-	-	-	-
Trade Receivable	1,396.99	14.09	-	1,411.09
Freight Demurrage/Despatch Receivable	2.10	-	-	2.10
Other Receivable	1.36	-	-	1.36
Total Receivable in Foreign Currency	1,400.45	14.09	-	1,414.55
Foreign currency Loan Payable	-	-	-	-
Interest on foreign currency loan payable	-	-	-	-
Trade Payables	16.83	-	-	16.83
Freight Demurrage/despatch payable	15.52	-	-	15.52
Provision towards Litigation settlement	40.89	-	-	40.89
Others (if any)	-	0.08	-	0.08
Total payable in Foreign currency	73.24	0.08	-	73.32
Net Assets/(Liabilities)	1,327.22	14.02	-	1,341.23

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(a) As on 31.03.2018

(₹ Crore)

Particulars	US Dollars (in Equiv. INR)	Euro (in Equiv. INR)	Other Currencies (in Equiv. INR)	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
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

Sensitivity

The sensitivity of profit or loss to changes in exchange rate arises mainly from foreign currency denominated financial instrument.

Particulars	Impact on profit after tax	
	March 31, 2019	March 31, 2018
Increase by -% (March 31, 2016- %)	13.41	13.76
Decrease by -% (March 31, 2016- %)	(13.41)	(13.76)

ii) Interest rate risk

As on 31.03.2019 there is no exposure to interest risk as the company has stopped charging any interest on the borrowings due to OTS (One time settlement) proposal with the banks, however the interest risk on borrowings as on 31.03.2018 was to the extent of ₹1769.59 Crore.

b) Credit Risk

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

(₹Crore)

Particulars	March 31, 2019	March 31, 2018
Trade Receivables	1,087.65	3,185.44
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.

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

Credit risk exposure

An analysis of age of trade receivables and unbilled receivables at each reporting date is summarized as follows:

(₹ Crore)

Particulars	March 31, 2019		March 31, 2018	
	Gross	Impairment	Gross	Impairment
Not past due	20.26	-	25.18	-
Past due less than three months	-	-	-	-
Past due more than three months but not more than six months	0.03	-	132.00	-
Past due more than six months but not more than one year	3.89	-	138.93	-
More than one year	1,692.65	629.19	3,514.47	625.14
Total	1,716.84	629.19	3,810.58	625.14

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.

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 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 undiscounted 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, 2019

(₹ Crore)

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	164.76	8.92	11.29	22.98	968.04	1,176.00
Short term borrowings (cash credit)*	896.23	-	-	-	-	896.23
Long Term Borrowings	-	-	-	-	-	-
Other Financial Liabilities (specify nature)	310.76	78.24	11.65	1.67	14.31	416.63
Total	1,371.76	87.16	22.94	24.65	982.35	2,488.86

(b) As on March 31, 2018

(₹ Crore)

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	196.58	17.44	1.39	23.05	970.17	1,208.63
Short term borrowings (cash credit)*	1,612.29	-	-	-	-	1,612.29
Long Term Borrowings	-	-	-	-	-	-
Other Financial Liabilities (specify nature)	312.19	97.00	33.19	1.50	9.21	453.09
Total	2,121.06	114.44	34.58	24.55	979.38	3,274.01

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

46 Disclosure in respect of Indian Accounting Standard (Ind AS)-21 "The Effects of changes in Foreign Exchange Rates"

- (i) The amount of exchange differences (net) debited/credited to the Statement of Profit & Loss is ₹(1.48 Crore)
- (ii) The amount of exchange gain/loss is debited/credited to corresponding related receivables and payable account.

47 Disclosure in respect of Indian Accounting Standard (Ind AS)-23 "Borrowing Costs"

The amount capitalized with Property, Plant & Equipments as borrowing cost is ₹Nil & ₹Nil for the year ended March 31, 2019 & March 31, 2018 respectively.

48 Disclosure in respect of Indian Accounting Standard (Ind AS)-36 "Impairment of assets"

During the year, the company assessed the impairment loss of ₹Nil (₹0.21 Crore) on assets.

49 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.

Segment Revenues and Results

(a) for the year ended March 31, 2019 (₹ Crore)

S.No.	Particulars	Export	Import	Domestic	Unallocated	Total
1	Segment Revenue					
1(a)	External Sales	13.89	8,437.75	451.81	-	8,903.44
1(b)	Inter segment revenue	-	-	-	-	-
	Segment Revenue (1(a) + 1 (b))	13.89	8,437.75	451.81	-	8,903.44
2	Segments Results	3.73	1.75	9.44	-	14.92
3(a)	Unallocated Corporate expenses net of unallocated income	4.30	2.17	0.01	134.96	141.45
3(b)	Interest Expense	22.39	0.77	-	132.43	155.59
3(c)	Interest Income	(46.33)	(1.23)	(0.07)	(16.57)	(64.21)
	Total [3(a)+3(b)+3(c)]	(19.64)	1.71	(0.05)	250.82	232.83
4	Profit before tax from ordinary activities [(2)- 3(a),(b) & (c)]	23.36	0.06	9.49	(215.58)	(182.68)

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

S.No.	Particulars	Export	Import	Domestic	Unallocated	Total
5	Exceptional Items	626.19	85.15	-	3.09	714.44
6	Income taxes	-	-	-	(16.03)	(16.03)
7	Net Profit after tax (4)- (5) -(6)	(602.84)	(85.10)	9.49	(202.64)	(881.08)
8	Interest in results of JV's	-	-	-	-	-
9	Other Information	-	-	-	-	-
9 (a)	Segment Assets	1,063.54	29.83	34.23	1,675.47	2,803.07
9 (b)	Segment Liabilities	1,250.76	348.11	36.46	1,116.40	2,751.72
9 (c)	Capital Expenditure	-	-	-	1.43	1.43
9 (d)	Depreciation	-	-	-	15.14	15.14
9 (e)	Non-Cash expenses other than depreciation	626.22	1.38	-	1.56	629.17

(b) for the year ended March 31, 2018 (₹ Crore)

1	Segment Revenue					
1 (a)	External Sales	279.19	10,240.04	346.48	-	10,865.71
1 (b)	Inter segment revenue	-	-	-	-	-
	Segment Revenue [1 (a) + 1 (b)]	279.14	10,291.74	294.83	-	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
3 (b)	Interest Expense	21.19	0.40	0.27	156.82	178.68
3 (c)	Interest Income	(259.63)	(1.43)	(0.02)	(7.78)	(268.86)
	Total [3(a)+3(b)+3(c)]	(237.64)	(0.28)	0.32	260.64	23.04
4	Profit before tax from ordinary activities [(2)- 3(a),(b) & (c)]	255.87	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	-	-	-	-	-
9 (a)	Segment Assets	3,156.88	85.25	52.69	1,143.38	4,438.20
9 (b)	Segment Liabilities	1,327.65	255.28	62.47	1,861.99	3,507.39
9 (c)	Capital Expenditure	-	-	-	1.55	1.55
9 (d)	Depreciation	-	-	-	16.02	16.02
9 (e)	Non-Cash expenses other than depreciation	-	5.32	5.63	0.78	11.73

(ii) Information about major customers

During the year there is no revenue from transactions with a single external customer amounting to 10 per cent or more of total revenues.

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

NOTE NO. 50 :

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 VDA of eligible employees and the funds of the trust are managed by LIC. An employee leaves the company before completion of 15 years only employee 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 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 pre determined 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 expenses 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.

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 get 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 ₹20 lakhs on superannuation, resignation, termination, disablement or death.

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:

(₹ Crore)

Net defined benefit (asset)/liability	31.03.2019	31.03.2018
Current	10.09	12.33
Non-Current	34.47	47.64
Total PBO at the End of year	44.56	59.97

Movement in net defined benefit (asset)/liability

(₹ Crore)

S.No.	Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (asset) Liability	
		31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
A	Opening balance	59.97	51.41	51.03	52.54	8.93	(1.13)
B	Included in profit or loss	-	-	-	-	-	-
(i)	Current service cost	1.55	2.27	-	-	1.55	2.27
(ii)	Past service cost	-	12.70	-	-	-	12.70
(iii)	Interest cost (income)	4.62	3.78	-	(3.87)	4.62	(0.08)
	Total amount recognised in profit or loss (i+ii+iii)	6.17	18.76	-	(3.87)	6.17	14.89
C	Included in OCI	-	-	-	-	-	-
	Remeasurement loss (gain)	-	-	-	-	-	-
	Actuarial loss (gain) arising from	-	-	-	-	-	-
(i)	Financial assumptions	0.44	(0.97)	-	-	0.44	(0.97)

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

S.No.	Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (asset) Liability	
(ii)	Experience adjustment	(4.07)	(3.56)	-	-	(4.07)	(3.56)
(iii)	Return on plan assets excluding interest income	-	-	(3.71)	(0.29)	(3.71)	(0.29)
	Total amount recognised in other comprehensive income (i+ii+iii)	(3.63)	(4.53)	(3.71)	(0.29)	(7.34)	(4.82)
D	Other	-	-	-	-	-	-
E	Contribution Paid to the Fund	-	-	8.73	-	(8.73)	-
F	Benefits paid	(17.95)	(5.67)	(17.95)	(5.67)	-	-
G	Closing balance (A+B+C+D+E+F)	44.56	59.97	36.79	51.03	7.76	8.94

The Fair Value of Plan Assets at the end of the reporting period is as follows

(₹ Crore)

S.No.	Particulars	As at 31.03.2019	As at 31.03.2018
(A)	Balance with Bank		
	SBI	-	-
	Yes Bank	0.04	0.04
	IDBI	0.05	0.01
	Total (A)	0.09	0.04
(B)	Group Gratuity Traditional Fund Scheme	-	-
	Bajaj Allianz	17.82	16.54
	SBI Life	18.95	26.47
	HDFC Standard Life Insurance	8.67	7.99
	Total (B)	45.44	50.99
	Grand Total (A+B)	45.53	51.03

C. Post-Retirement Medical Benefit Scheme (PRMB)

The company has Post-Retirement Medical Facility (PRMF), under which retired employee and his/her spouse are eligible for medical facilities in the empanelled hospitals. They can also avail treatment as Out-Patient subject to a ceiling fixed by the Company. Post-retirement medical benefits are recognised in the books as per the actuarial valuation.

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

(₹ Crore)

Net defined benefit (asset)/liability	31.03.2019	31.03.2018
Current	8.46	7.35
Non-Current	101.05	95.69
Total PBO at the End of year	109.51	103.04

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

Movement in net defined benefit (asset)/liability

(₹ Crore)

S.No.	Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (asset) Liability	
		31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
A	Opening balance	103.04	102.43	-	-	103.04	102.43
B	Included in profit or loss	-	-	-	-	-	-
(i)	Current service cost	0.68	0.82	-	-	0.68	0.82
(ii)	Past service cost	-	-	-	-	-	-
(iii)	Interest cost (income)	7.94	7.54	-	-	7.94	7.54
	Total amount recognised in profit or loss	8.63	8.35	-	-	8.63	8.35
C	Included in OCI	-	-	-	-	-	-
	Remeasurement loss (gain)	-	-	-	-	-	-
	Actuarial loss (gain) arising from	-	-	-	-	-	-
(i)	Financial assumptions	2.09	(4.17)	-	-	2.09	(4.17)
(ii)	Experience adjustment	(0.31)	5.52	-	-	(0.31)	5.52
(iii)	Return on plan assets excluding interest income	-	-	-	-	-	-
	Total amount recognised in other comprehensive income	1.78	1.35	-	-	1.78	1.35
D	Other	-	-	-	-	-	-
E	Benefits paid	(3.93)	(9.09)	-	-	(3.93)	(9.09)
F	Closing balance (A+B+C+D+E)	109.52	103.04	-	-	109.52	103.04

D. Leave

The Company provides for Earned Leave (EL) and Half Pay Leave (HPL) benefit to the employees of the Company which accrues 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 in a year.

Earned Leave

(₹ Crore)

Net defined benefit (asset)/liability	31.03.2019	31.03.2018
Current	2.42	2.27
Non-current	11.43	11.58
Total PBO at the End of year	13.85	13.85

Movement in net defined benefit (asset)/liability

(₹ Crore)

S.No.	Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (asset) Liability	
		31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
A	Opening balance	13.85	13.05	-	-	13.85	13.05
B	Included in profit or loss	-	-	-	-	-	-
(i)	Current service cost	0.78	0.81	-	-	0.78	0.81
(ii)	Past service cost	-	-	-	-	-	-
(iii)	Interest cost (income)	1.07	0.96	-	-	1.07	0.96
C	Remeasurement loss (gain)	-	-	-	-	-	-
	Actuarial loss (gain) arising from	-	-	-	-	-	-

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

S.No.	Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (asset) Liability	
(i)	Financial assumptions	0.19	(0.30)	-	-	0.19	(0.30)
(ii)	Experience adjustment	1.00	2.01	-	-	1.00	2.01
(iii)	Return on plan assets excluding interest income	-	-	-	-	-	-
	Total amount recognised in profit or loss (B+C)	3.04	3.48	-	-	3.04	3.48
D	Other	-	-	-	-	-	-
E	Benefits paid	(3)	(3)	-	-	(3)	(3)
	Closing balance (A+B+C+D+E)	13.85	13.85	-	-	13.85	13.85

Sick Leave / (HPL)

(₹ Crore)

Net defined benefit (asset)/liability	31.03.2019	31.03.2018
Current	2.34	2.97
Non-current	7.95	9.66
Total PBO at the End of year	10.29	12.63

Movement in net defined benefit (asset)/liability

(₹ Crore)

S.No.	Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (asset) Liability	
		31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
A	Opening balance	12.62	14.30	-	-	12.62	14.30
B	Included in profit or loss	-	-	-	-	-	-
(i)	Current service cost	0.41	0.50	-	-	0.41	0.50
(ii)	Past service cost	-	-	-	-	-	-
(iii)	Interest cost (income)	0.97	1.05	-	-	0.97	1.05
C	Remeasurement loss (gain)	-	-	-	-	-	-
	Actuarial loss (gain) arising from	-	-	-	-	-	-
(i)	Financial assumptions	0.11	(0.20)	-	-	0.11	(0.20)
(ii)	Experience adjustment	(1.96)	(1.76)	-	-	(1.96)	(1.76)
(iii)	Return on plan assets excluding interest income	-	-	-	-	-	-
	Total amount recognised in profit or loss (B+C)	(0.47)	(0.41)	-	-	(0.47)	(0.41)
D	Other	-	-	-	-	-	-
E	Benefits paid	(2)	(1)	-	-	(2)	(1)
	Closing balance (A+B+C+D+E)	10.28	12.63	-	-	10.28	12.63

E Actuarial Assumptions

The following were the principal actuarial assumptions at the reporting date

S.No.	Particulars	31.03.2019	31.03.2018
1	Discount Rate	7.49%	7.71%
2	Future Salary Increase	8.00%	8.00%
3	Medical Cost Increase	8.00%	8.00%

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

- 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

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:

As on 31.03.2019

(₹ Crore)

Assumption	Change in Assumption	Gratuity	PRMB	Earned Leave	Half Pay Leave
		(Funded)	(Non Funded)		
Discount rate	0.50%	(0.99)	(6.00)	(0.42)	(0.24)
	(0.50%)	1.05	6.10	0.46	0.25
Salary growth rate	0.50%	0.42	-	(0.45)	0.25
	(0.50%)	(0.46)	-	0.42	(0.24)
Medical Cost Increase	0.50%	-	6.15	-	-
	(0.50%)	-	(6.03)	-	-

As on 31.03.2018

(₹ Crore)

Assumption	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)	-	-

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, 2019 (Contd.)

I Maturity Profile of Defined Benefit Obligations

As on 31.03.2019

(₹ Crore)

Year of payment	Gratuity	PRMB	Earned Leave	Half Pay Leave
	(Funded)	(Non Funded)		
Less than 1 year	10.09	8.46	2.42	2.34
Between 1-2 years	2.15	9.92	1.55	1.26
Between 2-3 years	2.15	11.01	1.50	1.31
Between 3-4 years	1.85	12.45	1.34	0.92
Between 4-5 years	1.97	14.34	1.06	0.57
Over 5 years	26.35	53.33	5.97	3.89

Maturity Profile of Defined Benefit Obligations

As on 31.03.2018

(₹ Crore)

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

51 Disclosure in respect of Indian Accounting standard (Ind AS) 17 "Leases"

51.1 Operating lease

a) As lessee

Future minimum lease payments under non-cancellable operating leases are as follows (₹ Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Payable in less than 1 year	0.33	0.33
Payable between 1 year and 5 years	1.46	1.41
Payable after more than 5 years	0.87	1.24

Payments recognised as an expense in Statement of Profit & Loss

Lease expense- minimum lease payments	-	0.33
Contingent rent expense	-	-
Sub-lease income	3.42	3.33

b) As lessor

Future minimum lease payments under non-cancellable operating leases are receivable as follows

(₹ Crore)

Within less than 1 year	-	1.56
Between 1 year and 5 years	-	-
After more than 5 years	-	-

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

Payments recognised in Statement of Profit & Loss

(₹ Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Income - generating property	38.89	32.71
Vacant Property	6.62	9.89
Self Occupied Property	-	-

51.2 Finance lease

a) As lessee

Brief Details of the Property

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.

2. STC's Housing Colony

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

52 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 is as follows:

(₹ Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Face Value Per Equity Share (₹)	10.00	10.00
Profit (loss) for the year, attributable to the owners of the company (A)	(881.08)	38.86
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	6.00	6.00
Basic EPS (A/B)	(146.85)	6.48

b) Diluted EPS

The earnings and weighted average number of ordinary shares used in the calculation of Diluted EPS is as follows:

(₹Crore)

Profit (loss) for the year, attributable to the owners of the company (A)	(881.08)	38.86
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	6.00	6.00
Diluted EPS (A/B)	(146.85)	6.48

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

53 Dividends

(₹ Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(i) No. of Equity Shares	6.00	6.00
(ii) Dividends not recognised at the end of reporting period.	NIL	NIL

54 Assets Pledged as Security

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current/Non-current	NIL	
Financial/Non-Financial Assets		
First Charge/Floating Charge	Trade Receivables of the company	

55 Going Concern

The Company is a CPSE under administrative control of the Ministry of Commerce & Industry. The Company is primarily in the business of trade with State Trading Organizations of various countries, to undertake promotion of export and to undertake market intervention operations in commodities as specified by Government from time to time. The company has seven offices and 3 representative offices all over the country and is fully equipped with the necessary infrastructural facilities to undertake any volume of business operations. The company is participating in several business opportunities. For last few years the company is facing mismatch in inflows and outflows of funds due to huge recoverable from associates with whom the company had undertaken trade transactions and who had defaulted in making timely payment to STC. Due to this the Company have led to temporary financial crunch, operating losses, reduction of net worth. Simultaneously the company initiate legal action against the defaulting associates. One of the major associates has made sufficient payment to STC on direction of Hon'ble Supreme Court. This has eased out the financial crisis of the Company to some extent. The Company has therefore proposed OTS with the lender banks. Since the lender banks has initiated action in the NCLT / DRT. An amount of ₹900 Crore has already paid towards OTS with the banks to show the bona fide intention of STC towards OTS. The OTS is under process and the company is hopeful that the same can be done shortly.

Simultaneously the company has undertaken various cost reduction measures to improve the liquidity / profitability such as closure of unviable branches undertaking trade in those commodities fetching higher trade margins etc. In view of this it is believed that, after the OTS, sufficient liquidity would be available with the company to undertake further business operation. The Company has also requested to JLF to provide some funded/non-funded limit for conducting business on behalf of Govt. of India. It is believed that this would generate sufficient trade margin for STC in the process of revival, It is believed that STC shall be in a position to confidently sail as a going concern.

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

- a. Accounts have been prepared on going concern basis.
- b. As regards to business plan, it is to mention that STC has projected a turnover of ₹9000 Crore for the F.Y. 2019-20.
- b. The company is continuing to carry forward deferred tax assets, which will be available for set off against future profits in view of anticipated business opportunities and improved availability of working capital, and
- c. No provision for impairment of non-current assets has been considered necessary.
- d. Cost cut measures:- As a cost cut measure the company has introduced Voluntary retirement scheme (VRS) starting from 18.06.2018 to 17.07.2018 up to level of Chief Manager excluding professionals. The Voluntary Retirement scheme in the first phase was to cover maximum 80 employees on first come first serve basis. Total 101 applications were received out of which 06 applications were rejected, 07 applications were withdrawn. Application of 80 employees out of balance 88 applications was accepted and their dues have been settled. Further Second phase has also been introduced from 29.03.2019 till 29.04.2019 up to level of Chief Manager and 46 applications have been received.

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

- 56 Impact of foreign currency gain/loss against the disputed currency payable/receivable has been given by the company except in the case of Mumbai Branch. Further the impact of credit gain/loss has been credited/debited as the case may be directly to the respective payables/receivables account instead of giving any impact of the same to the profit & loss account.
- 57 Credit impairment against trade and other receivables has been made during the year amounting to ₹5.29 Crore.
- 58 In respect of alleged irregularities, impact is ascertainable only on the probable outcome of the ongoing case/enquiry . Therefore disclosure for the same has not been made.
- 59 A plot of land at Mallet Bunder by MBPT for a 30 year period of lease. The company has constructed storage tanks along with other required infrastructure. The lease period has already been expired during F.Y. 16-17 for which the company is in the process of renewal of lease deed. Hence no impairment has been considered necessary. However, if otherwise, at the time of handing over, cost of the dismantling the infrastructure would not be material and the sale proceeds of the scrap so realized will be higher than such cost.
- 60 Standards issued but not effective:-
Ind AS 116 'Leases':- Ministry of Corporate affairs notified on 30.03.2019 Ind AS 116 which is applicable w.e.f. 01.04.2019 & onwards. Accordingly, the company is in the process of evaluating the impact of the same on financial statements for the F.Y. 2019-20.
- 61 Previous year figures have been recasted/reclassified in line with Ind AS requirements.

**As per our report of even date attached
For Thakur, Vaidyanath Aiyar & Co.**

Chartered Accountants
Firm Reg. No. 000038N

Sd/-
(K K Upadhyay)
Partner
M. No. 096584

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

Sd/-
(Rooma Nagrath)
GM-F & CFO

Sd/-
(Deepak CS)
Company Secretary
FCS -5060

Place: New Delhi
Dated: 28.05.2019

MANAGEMENT REPLIES TO THE OBSERVATIONS OF STATUTORY AUDITORS ON THE STANDALONE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2018-19

Qualifications / Observations of the Statutory Auditors	Management Replies
Basis for Qualified Opinion a. Non provision in respect of the items / matters as indicated below, has resulted in the loss being shown lower by ₹111.11 Crore for the year : i. refer foot note of note no.36 (i) for not providing firm liability of contingent liabilities of ₹72.82 Crore though the company lost the case at two levels i.e. from the Arbitration as well as from the single bench of High Court	<p>The said transaction for import of pulses was undertaken by STC on behalf of ministry of consumer affairs, Govt. of India. The matter of abrogation of contracted quantities with M./s J.K. International was in line with directions received from the Ministry of Consumer affairs. As per the judgement of the Hon'ble High Court for damages payable by STC, STC has sent letter to Department of Consumer affairs, ministry of consumer affairs with a copy to ministry of commerce and industry for their intervention to take appropriate steps for compensating STC in event of payment of the claim. STC has challenged the award and is hopeful of favourable decision. In view of this no provision is required.</p>
ii. refer foot note of note no.36 (i) for not providing firm liability of a contingent liability of ₹27.89 Crore due from a company and adjusting the same against the deposit of holding company of the company from whom the doubtful debt was due though the adjustment was not upheld to be enforceable.	<p>STC appropriated amount of ₹27.89 Crore recoverable from M/s Lichen Metals Pvt. Ltd., due to STC from the deposits of its Holding Company in respect of Bullion transactions (as the holding company had given guarantee). Though arbitral award is in favour of the Holding company, STC is in the process of filing an appeal before the Hon'ble High Court and is hopeful for favourable judgement. However as matter of prudence it has been shown as contingent liability</p>
iii. Refer foot note of note no. 11 for not making credit impairment on ₹10.40 Crore recoverable from various Tenants which are under disputes/litigation and considered by the company as "having significant increase in credit risk	<p>The major portion is recoverable from BIFR (now Department of Financial services) and CCIC of ₹8.89 Crore which are being released to STC in installments based on their approvals. As regards amount due from SBI, the matter is subjudice due to subsidiary (STCL) and the management is hopeful of recovery. For the remaining balances the matter has been taken up with the concerned departments. Hence no provision is considered necessary.</p>
b. The Company has not complied with i. Ind AS 40 (regarding Fair Value Measurement of Investment Property) by not performing fair valuation of investment property as on balance sheet date. (refer foot note of note no.6)	<p>The company had carried out revaluation of immovable properties as on 31.03.2018. As there was no significant fluctuation in the open market during the FY 2018-19, the company did not carry out fair valuation of its immovable properties as on 31.03.2019. There is no materiality on this account on the balance sheet date.</p>
ii. Ind AS 21 (regarding Effects of Changes in Foreign Exchange) by not revaluing the carrying amounts, in certain cases, of foreign currency receivables and payables which are under litigation/disputed. (refer note no. 56)	<p>The company has complied the requirements of Ind AS 21 regarding affects of changes in foreign currency as on balance sheet date. However, in certain cases, which are under litigation and had been fully provided in earlier years are not updated, as the same had been freezed in Indian rupee value. The company has filed legal cases against domestic parties for recoveries of such outstanding balances.</p>

iii. Ind AS 109, (regarding impairment of financial assets and recognition of expected credit loss) by not making credit impairment on undisputed trade receivable of ₹112.87 Crore. The impact of the same is not ascertainable.	The company is reviewing the impairments of financial assets on case to case basis. Necessary provisions on account of expected credit loss is being made in the books of accounts accordingly. Impairment on undisputed trade receivable amounting ₹112.87 Crore is being reviewed and necessary provisions if required will be made during the financial year 2019-20.
c. The impact of the following is not ascertainable: i. refer note no.41 for non-availability of confirmation of balances of certain receivables and payables (including certain direct & indirect taxes).	Balances of trade receivables, trade payables & liabilities are being reconciled after completion of each transaction and the accounts settled with the party. However, confirmation in respect of trade receivables and trade payables involving legal cases are not obtained as it may affect the legal proceedings.
ii. refer foot note no. (b) of note no 4 for non-adjustment of value/area of lease hold land in Fixed Assets Register against areas acquired by DMRC for construction of Metro Station & by L&DO for widening of the Road during Asian Game, as well as the flats/area of land sold by the company to HHEC for its housing colony.	STC was allotted a piece of land measuring 2.599 acres vide letter no. 3/4(14)/68-LI dated 15.09.1975 of Ministry of Works & Housing, Government of India. In due course of time an area of 325.686 square meter and 388.910 square meter was acquired/ utilized by NDMC and Delhi Metro respectively. During 1975, 64 nos. of flats were also sold to HHEC. The necessary corrective action will be taken during the F.Y. 2019-20.
iii. In certain cases of Contingent Liabilities and Contingent Assets documents showing latest status/fact of the case and basis of probability for outflow and inflow of resources are not made available	Necessary action will be initiated to further update the status/facts and basis of probability of out flow/inflow of resources during the Financial Year 2019-20.
As a result of matters contained in paras (a) (i) to (iii) above, loss for the year is understated by ₹111.11 Crore, with consequential effect on 'Retained earnings' by the same amount, understatement of 'liabilities' by ₹100.71 Crore and overstatement of claim recoverable by ₹10.40 Crore.	The company is hopeful for recovery of receivables/ claims for which no provision was considered necessary as on balance sheet date. However, the matter will be reviewed in respect of expected credit loss during Financial Year 2019-20 and necessary action will be taken accordingly.
Emphasis of Matters	
a. Refer foot note of note no. 9 & 11 for not making credit impairment of trade receivables (₹974.78 Crore) & Claim Receivables (₹6.84 Crore) making a total of ₹981.62 Crore since the company feels that even if no amount would eventually be recovered, provision is not required as the creditor will be paid by the company only to the extent the amount is realized against such trade receivables, though in most of the cases agreements are not tripartite.	Trade receivables and claims recoverable amounting ₹974.78 Crore and ₹6.84 Crore which are under litigations and 'having significant increase in the credit risk' have not been considered as impaired on the balance sheet date. As a corresponding credit to that extent exist in the books of accounts. Further, in terms of the agreement, the creditors will only be paid to the extent the amount realized from the debtors, even if there is no tripartite agreement in all the cases.
b. Refer Note No. 20 for continuing default in the repayment of Bank loans including interest thereon amounting to ₹1925.09 Crore against which lender Bank have jointly filed case in DRT. One of the lender bank has also filed a Case in NCLT. The company has approached the banks for settlement and ₹900 Crore has been paid by the company to the Lead banker of Joint Lender Forum Banks under the one time settlement process.	STC is in default from November 2017 onwards, in the repayments of principal amount of Bank Loans and Interest thereon for a total amount of ₹1925.09 Crore, subject to reconciliation (as on 31.12.2018). On reconciliation, the revised outstanding amount stands at ₹1906.24 Crore. Against this, lender Banks have jointly filed case in DRT and one Lender Bank has also filed a case in NCLT. STC has approached Banks for One Time Settlement (OTS) and as an interim measure, STC has already paid ₹1100.00 Crore till 26.07.2019. The cases in DRT and NCLT are going on. It is likely that the OTS scheme with Joint Lender Forum of Banks will be finalized very soon.

<p>Annexure A to Independent Auditors Report</p> <p>1(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except for the areas of lease hold land and building of Jawahar Vayapar Bhawan at Janpath, New Delhi and Housing Colony at Aurbindo Marg, New Delhi (refer foot note of note no.4)</p>	<p>STC was allotted a piece of land measuring 2.599 acres vide letter no. 3/4(14)/68-LI dated 15.09.1975 of Ministry of Works & Housing, Government of India. In due course of time an area of 325.686 square meter and 388.910 square meter was acquired/ utilized by NDMC and Delhi Metro respectively. During 1975, 64 nos. of flats were also sold to HHEC. Necessary corrective action will be taken during the Financial Year 2019-20.</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 below whose title deeds are pending for execution in the company:</p> <p>New Delhi : Lease hold Land at Tolstoy Marg, Jawahar Vayapar Bhawan, New Delhi. – Area : 2.599 acre – Revalued amount ₹431.77 Crore.</p> <ul style="list-style-type: none"> • Execution of lease deed is pending since 1975. • Further, out of total area, physical position of land measuring 714.60 sqmtrs is not now with STC (i.e. 388.91 sqmtrs. acquired by DMRC for construction of Metro and 325.69 sqmtrs. by NDMC for widening of the Road during Asian Game) and value the same has not been updated in FAR/ FAS. <p>Measurement for area under physical position of the company is yet to be done.</p>	<p>For execution of Perpetual Lease Deed on basis of actual area, Office of the L&DO has been requested vide several letters dated 13.11.2002, 16.01.2003, 11.02.2008, 14.05.2018 and 23.05.2019 has been sent.. On receipt of their confirmation from L&DO regarding actual area under STC's possession, perpetual lease deed will be executed.</p> <p>Necessary corrective action in the FAR/FAS will be taken during the Financial Year 2019-20. Confirmation from L&DO for the actual area under possession of STC w.r.t. JVB land is awaited.</p> <p>The necessary steps for measurement of area under physical possession of STC are being initiated.</p>
<p>New Delhi - STC / MMTC Housing Colony, Aurobindo Marg, New Delhi – Area : 16.17 acre – Revalued amount ₹116.56 Crore</p> <ul style="list-style-type: none"> • Execution of lease deed for 50% share of total land measuring 32.33 acre allotted for STC is pending from 1968. Further, records / details for area given by STC from its own share to HHEC for housing colony is yet to be adjusted in the FAR / FAS. <p>Measurement for area under physical position of STC is yet to be done.</p>	<p>Necessary efforts have been initiated in respect of execution of lease deed.</p> <p>Necessary corrective action in the FAR/FAS will be taken during the Financial Year 2019-20</p> <p>The necessary steps for measurement of area under physical possession of STC are being initiated.</p>
<p>New Delhi - Flats at AGVC, Khel Gaon Marg, New Delhi. – 8 flats (Measuring 14424 Sqfts.) – ₹25.28 Crore.</p> <p>Execution of lease/conveyance deed is pending.</p>	<p>These properties have been earmarked for the One Time Settlement (OTS) process by the Banks. Banks have also appointed a Legal firm for carrying out 'Due Diligence' process. On receipt of their report, a decision regarding execution of conveyance deed of AGVC flats will be taken.</p>
<p>Mumbai -</p> <p>7 nos. of Flats(Refer foot note of note no. 4) – 7997 sqfts. – ₹33.19 Crore.</p> <p>Execution of lease/conveyance deed is pending.</p>	<p>These properties have been earmarked for the One Time Settlement (OTS) process by the Banks. Banks have also appointed a Legal firm for carrying out 'Due Diligence' process. On receipt of their report, a decision regarding execution of conveyance deed of AGVC flats will be taken.</p>

<p>2(vi) The going concern matter described under “material uncertainty in relation to going concern” paragraph above, in our opinion, may have an adverse affect on the functioning of the company.</p>	<p>The intention of the management is neither to liquidate the entity nor to cease it’s business activity, therefore the accounts have been prepared on going concern basis.</p> <p>It is further stated that, the company is in the process of settling the dues with banks and the joint lender forum (JLF) of banks have already issued a letter dated 27.06.2019 crystallizing the amount to be settled . As and when the dues are settled with the banks, bank credit facilities will be available to the company for furtherance of existing trade activities.</p> <p>Further, under the future business plan, company has signed an MOU with MOC with the target of business to be carried out during 2019-20.</p>
<p>Annexure B” to Independent Auditors’ Report</p> <p>Referred to in clause (viii) of paragraph 2 under the heading of “report on other legal and regulatory requirements” of our report on even date on the standalone financial statements for the year ended 31.03.2019</p> <p>Basis for Qualified Opinion</p> <p>i. Company is maintaining Accounts in Tally ERP Software. However, the Tally ERP Software on which accounts are being maintained by the branches and divisions are not integrated/interfaced with the each other or with the server at Head office. Further, inventories and consumables, except for bullion, are not being maintained on the Tally ERP system, instead it is maintained manually.</p> <p>Further, company is maintaining “Performance Management System”, Payroll Software and “Leave Management System” which are not interfaced with each other as well as the accounting software.</p> <p>As a result of above, Manual Accounting entries are being made on periodical basis in the Tally ERP Accounting software, and consolidation of the Financial Statements/ Accounts of 10 Branches and 9 Divisions are being made manually on MS-Excel.</p>	<p>In the absence of uniform accounting format in tally and format required by Companies Act for consolidation of accounts through tally and the absence of LAN/WAN to interconnect Computers at CO and Branches, integration and consolidation of accounts in tally is not feasible. The possibility of implementation of Tally ERP on Cloud (web based solution) is being explored jointly with Finance Division.</p> <p>Accounting software for Trading commodities/ stock of inventory, consumables is currently not available in STC except Tally ERP. Provision for entry in Tally ERP or proper accounting software in consultation with concerned Division will be explored.</p> <p>Performance Management System (PMS), Leave Management System (LMS) and Payroll are having three interfaces but at the back-end are integrated with each other because of common Master database (employee profile, leaves, pay structure, etc.). It is not integrated with Tally ERP (Accounting Software) because all the reporting required by Finance Division (in the desired format) pertaining to PMS, LMS or Payroll can be generated through these online systems by their Admins.</p>
<p>ii. Lack of control over release of advance to parties ‘in-comparison with the targeted performance / milestone to be provided by the parties. For Instance, in the case of installation of 5 Lifts, advance given by the company against all the 5 lifts, out of which 4 lifts are still under installation even after long delay from the scheduled date.</p>	<p>The installation of lifts was taken up in phased manner. Initially only three lifts were taken for replacement and 50% of cost of material delivered at site was released to the contractor as per terms of the tender. Out of these three, installation of two lifts were completed and handed over to STC one in March, 2019 & another in May, 2019.</p> <p>Similarly, in the second phase the remaining two lifts were taken for replacement. 50% of cost of material delivered at site was paid to the contractor during January, 2019 as per contract. Work is in progress.</p> <p>The delay in installation of lifts was due to tender finalisation in civil work.</p>

iii. Lack of effective Internal control over inventory pledged with the company as in most of the cases periodic physical verification reports have not been submitted by the parties and in certain cases parties are not allowing STC to conduct the physical verification.	Periodic physical verification reports in respect of pledged inventory being obtained from the parties. However, in certain cases where the matter is under litigation/subjudice in the court, physical verification of the inventory could not be carried out or not allowed by the party as an exception.
iv. In certain cases reconciliations of receivables & payables are pending since long and impact of the same is not ascertainable.	Party's accounts are reconciled on case to case basis at the time of settlement. All branches and accounting units have been instructed to reconcile all outstanding receivables/payables. No outstanding balance more than 3 years should be carried forward in the books of accounts without justification.
v. With respect to Mumbai branch of the Company, the branch auditor has reported for the inadequate internal audit system, weakness in the system of customer acceptance, credit evaluation and establishing customer credit limits and other related controls are not in place.	Internal Audit of the Corporation along with the branches is carried out by an external agency for all the applicable areas as stipulated in the 'Scope of Work'. However, necessary steps shall be taken for further improvement during renewal/appointment of internal auditors. In order to strengthen the internal control the company has carried out special audit in some of the cases in respect of Mumbai branch during the Financial Year 2018-19.
vi. Lack of Control over legal expenses due to non-maintenance of proper records showing case wise and advocate wise details	The branches/accounting units have already been instructed to route all expenses through the respective party's accounts. The same will further be extended for cases wise segregation.
vii. Lack of control over contingent liability and contingent assets due to non-maintenance of proper records showing fact of the case, latest status of the case and probability of expected outcome in the opinion of management.	Necessary action will be initiated to further update the status/facts and basis of probability of out flow/inflow of resources during the Financial Year 2019-20.
Annexure 'C' to the independent auditors report Referred to in paragraph 3 under the heading "report on other legal and regulatory requirements" of our report on even date on the standalone financial statements for the year ended 31.03.2019 1(a) Company is maintaining accounts in tally ERP software. However, the tally ERP Software on which accounts are being maintained by the branches as well as by head office including all divisions is not integrated with each other. As a result of this, compilation of accounts of all branches & divisions are made on excel sheet manually at the year end.	 In the absence of uniform accounting format in tally and format required by Companies Act for consolidation of accounts through tally and the absence of LAN/WAN to interconnect Computers at CO and Branches, integration and consolidation of accounts in tally is not feasible. The possibility of implementation of Tally ERP on Cloud (web based solution) is being explored jointly with Finance Division.
(b) Further, stock of Inventories and consumables, except for bullion, are not being routed through IT System. Hence, periodic manual entries are being made in the accounting software.	Accounting software for Trading commodities/ stock of inventory, consumables is currently not available in STC except Tally ERP. Provision for entry in Tally ERP or proper accounting software in consultation with concerned Division will be explored.
(c) Company is maintaining software for performance management system (PMS). Payroll software and leave management system which are not interfaced with each other as well as with accounting software. As a result of this, manual entries are being made on periodic basis in the respective software as well as in accounting software.	Performance Management System (PMS), Leave Management System (LMS) and Payroll are having three interfaces but at the back-end are integrated with each other because of common Master database (employee profile, leaves, pay structure, etc.). It is not integrated with Tally ERP (Accounting Software) because all the reporting required by Finance Division (in the desired format) pertaining to PMS, LMS or Payroll can be generated through these online systems by their Admins.



गोपनीय

संख्या/ No. PDC-A-I/ND/CM/9/29-55/2018-19/ND-II/284

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

सेवा में,

दिनांक / Dated 31/7/19

अध्यक्ष एवं प्रबंध निदेशक,
दि स्टेट ट्रेडिंग कॉर्पोरेशन ऑफ इंडिया लिमिटेड,
जवाहर व्यापार भवन, टॉलस्टाय मार्ग
नई दिल्ली- 110001

विषय: 31 मार्च 2019 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 2019 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' अंग्रेजित करती हूँ। इन शून्य टिप्पणियों को कम्पनी की आमसभा में उसी प्रकार रखा जाए जिस प्रकार वैधानिक लेखा परीक्षकों की लेखा परीक्षा रिपोर्ट रखी जाती है।

भवदीया,

संलग्न: शून्य टिप्पणियाँ

प्राची-९.
3-5/19

(प्राची पाण्डेय)

प्रधान निदेशक

**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 LIMITED FOR THE YEAR ENDED 31 MARCH 2019**

The preparation of financial statements of **THE STATE TRADING CORPORATION OF INDIA LIMITED** for the year ended 31 March 2019 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 2019.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **THE STATE TRADING CORPORATION OF INDIA LIMITED** for the year ended 31 March 2019 under section 143(6) (a) of the Act. 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 auditors 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**

Prachi Pandey
31-7-19

(Prachi Pandey)
Principal Director

Principal Director of Commercial Audit & Ex-
officio Member, Audit Board-I,
New Delhi

Place: New Delhi
Dated: 31 July 2019

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 COMPANY LTD

THE STATE TRADING CORPORATION OF INDIA LIMITED

Form AOC-1

(Pursuant to first proviso to sub section (3) of Section 129 of the Companies Act, 2013
read with rule 5 of Companies (Account) Rules, 2014)

Part "A" Subsidiaries

Statement containing salient features of the financial Statement of
Subsidiaries / Associate Companies / Joint Ventures

As at March 31, 2019

(₹ Crore)

S.No.	Particulars	Details
1	Name of Subsidiary	STCL Limited
2	Reporting period for the subsidiary company concerned, if different from the holding company's reporting period	Same as holding company
3	Reporting currency and exchange rates as on the last date of the Relevant Financial year in case of foreign subsidiaries.	Indian Rupees
4	Share Capital	1.50
5	Reserve & surplus	(4566.12)
6	Total Assets	6.58
7	Total Liabilities	4571.20
8	Investments	-
9	Turnover	-
10	Profit before taxation	(1.94)
11	Provision for taxation	-
12	Profit after taxation	(1.94)
13	Proposed Dividend	-
14	% of Shareholding	100

Notes:-

- | | | |
|---|---|-----|
| 1 | Name of the subsidiaries which are yet to commence operations | Nil |
| 2 | Name of the 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, 2019

(₹ Crore)

Sl. No.	Name of Joint Venture	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.	2,00,000
3	Amount of Investment in Associates/Joint Venture (₹)	20,00,000
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: Investments with M/s Richfield Aquatech Ltd, Blue Gold Maritch Ltd. National Tannery Company Ltd. & Indopirin Gloves Limited have been written off in earlier years. All these companies are dormant/under liquidation.

As per our report of even date attached

For Thakur, Vaidyanath Aiyar & Co.

Chartered Accountants

Firm Reg. No. 000038N

Sd/-
(K K Upadhyay)
Partner
M. No. 096584

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

Sd/-
(Rooma Nagrath)
GM-F & CFO

Sd/-
(Deepak CS)
Company Secretary
FCS -5060

Place: New Delhi
Dated: 28.05.2019



CONSOLIDATED FINANCIAL RESULTS 2018-19

Independent Auditor's Report

To,

The Members

M/s. The State Trading Corporation of India Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the Consolidated Financial Statements of M/s The State Trading Corporation of India Limited ("hereinafter referred to as the Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the Consolidated Balance Sheet as at 31st March 2019, and the Consolidated Statement of Profit and Loss (including other comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the Consolidated Financial Statements, including a summary of the significant accounting policies.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid Consolidated Financial Statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (India Accounting Standards) Rule 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31st, 2019 and its loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

a. Non provision in respect of the items / matters as indicated below, has resulted in the loss being shown lower by ₹111.11 Crore for the year

- i) refer foot note of note no.36 (i) for not providing as firm liabilities of contingent liabilities for amounting to ₹72.82 Crore though the Holding company lost the case, from the Arbitration as well as from the single bench of High Court.
- ii) refer foot note of note no.36 (i) for not providing as firm liability against deposits of ₹27.89 Crore due from a company and adjusting the same against the deposit held by the holding company of the company from whom the doubtful debt was due though the adjustment was not upheld to be enforceable.
- iii) Refer foot note of note no. 11 for not making credit impairment on ₹10.40 Crore recoverable from various Tenants which are under disputes/litigation though the same has been classified as "having significant increase in credit risk".

b. The Group has not complied with

- i) Ind AS 40 (regarding Fair Value Measurement of Investment Property) by not performing fair valuation of investment property as on balance sheet date. (refer foot note of note no.6)
- ii) Ind AS 21 (regarding Effects of Changes in Foreign Exchange) by not revaluing the carrying amounts, in certain cases, of foreign currency receivables and payables which are under litigation/disputed. (refer note no. 56)
- iii) Ind AS 109, (regarding impairment of financial assets and recognition of expected credit loss) by not making credit impairment on undisputed trade receivable of ₹112.87 Crore. The impact of the same is not ascertainable.
- iv) Ind AS 28 (regarding Investments in Associates and Joint Ventures) has not been complied, since the financial statements of such associates and joint ventures are not available as they are either under liquidation or defunct (refer foot note of note no. 42 for investment in Joint Venture Entities/Associates).

c. The impact of the following is not ascertainable

- i) refer note no.41 for non-availability of confirmation of balances of certain receivables and payables (including certain direct & indirect taxes).
- ii) refer foot note no. (b) of note no 4 for non-adjustment of value/area in Fixed Assets Register of lease hold land against areas acquired by DMRC for construction of Metro Station & by L&DO for widening of the Road during Asian Game, as well as areas of flats including land sold by the company to HHEC for housing colony.
- iii) In certain cases of Contingent Liabilities and Contingent Assets documents showing latest status/fact of the case and basis of probability for outflow and inflow of resources are not made available.

As a result of matters contained in paras (a) (i) to (iii) above, loss for the year is understated by ₹111.11 Crore, with consequential effect on 'Retained earnings' by the same amount, understatement of 'liabilities' by ₹100.71 Crore and overstatement of claim recoverable by ₹10.40 Crore.

Emphasis of Matters

- a) Refer foot note of note no. 9 & 11 for not making credit impairment of trade receivables (₹974.78 Crore) & Claim Receivables (₹6.84 Crore) making a total of ₹981.62 Crore since the Holding company feels that even if no amount would eventually be recovered, no provision is necessary as the creditor will be paid by the company only to the extent the amount is realized against such trade receivables, though in most of the cases agreements are not tripartite.
- b) Refer foot note 1 of Note No. 20 for continuing default in the repayment of Bank loans including interest thereon amounting to ₹1925.09 Crore against which lender Bank have jointly filed case in DRT. One of the lender bank has also filed a Case in NCLT. The Holding company has approached the banks for settlement and ₹900 Crore has been paid by the Holding company to the Lead banker of Joint Lender Forum Banks.
- c) Refer Note No 61 for the winding up of Subsidiary Company which has been approved by the union cabinet in its meeting dated 13.08.2013 and accordingly subsidiary has filed winding up petition dated 26.11.2013 before Hon'ble High Court of Karnataka. Further, attention is drawn to foot note 2 of Note No. 20 which states that the Subsidiary has created pari-passu charge on current assets in favor of the banks and also surrendered the documents of immovable properties. DRT has passed an order dated 29.09.2015 for recovery of ₹148.18 Crore by banks, however, the Subsidiary 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. The cases with banks are pending.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Accuracy of recognition, presentation and disclosures of revenues and other related balances in view of adoption of IndAS 115 "Revenue from contracts with customers" (new revenue accounting standard)

The application of the new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over the period. Additionally new revenue accounting standard contains disclosures which involve collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

Principal Audit Procedures followed

We assessed the Group's process to identify the impact of adoption of the new revenue accounting standard.

Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:

- Evaluated design of internal control relating to the implementation of the new revenue accounting standard.
- Selected sample for continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls.
- Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.
- Selected a sample of continuing and new contracts and performed the following procedures:
 - Read, analyzed and identified the distinct performance obligations in these contracts.
 - Compared these performance obligations with these identified by the group.
 - Considered terms of the contract to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.

- Samples in respect of revenue were tested with the performance obligations specified in the underlying contracts.
- Performed analytical procedures for reasonableness of revenue disclosed by type and service offerings.
- We reviewed the collation of information and the logic of the report generated from the budgeting system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

Evaluation of uncertain tax position

The group has uncertain material tax provisions including matters under dispute which involves significant judgment to determine the possible outcomes of these disputes.

Principal Audit procedures followed

We evaluated management's judgment of tax risks, estimates of tax exposures and contingencies by testing the design implementation and operating effectiveness of the related controls. We obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We involved in the detailed discussions with the management for underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our team also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties.

Management's Responsibility for the Consolidated Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, board of directors of the group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements of 1 subsidiary, whose financial statements reflect total assets of ₹6.58 Crore as at 31st March, 2019, total revenues of ₹0.21 Crore and net cash flows amounting to ₹0.37 Crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have 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 these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

- i) We have sought and obtained all the information and explanations, except the matter referred in para (c) of Basis for Qualified opinion, which to the best of our knowledge and belief were necessary for the purposes of our audit
- ii) In our opinion, proper books of account as required by law have been kept by the group, except for the para (b) of Basis for Qualified opinion, 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.
- iii) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of accounts maintained for the purpose of Consolidated Ind AS financial Statements.
- iv) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards, except for the para (b) of Basis for Qualified opinion, specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- iv) The matters relating to going concern described in Note no 55 and 61, in our opinion may have an adverse effect on functioning of the group. Further, the subsidiary Company is in the process of winding up, the issue as to whether an observation or comments of the auditor have any adverse effect on functioning of the subsidiary company does not arise.
- vi) We have been informed that the provisions of Section 164(2) of the Act in respect of disqualification of directors are not applicable to the Company, being a Government company in terms of notification no. G.S.R.463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, Government of India;
- vii) 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"**.

- viii) As informed, the provisions of Section 197 relating to managerial remuneration are not applicable to the Company, being a Government Company, in terms of MCA Notification no. G.S.R. 463 (E) dated 5th June 2015.
- ix) 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:
- The Group has disclosed the impact of pending litigations on its financial position in its financial statements, refer note 36 to the financial statements.
 - The Group has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - Following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund (IEPF) by the holding Company.

Date of Declaration of dividend	Due date for transfer to IEPF	Date of transfer to the IEPF	Delay due to Bank clearing	Amount of Dividend (₹ In Crore)
29.09.2011	03.12.2018	04.12.2018	1 day	0.04

For Thakur, Vaidyanath Aiyar & Co.

Chartered Accountants
(FRN: 000038N)

Sd/-
(K. K. Upadhyay)
Partner
M. No.: 096584

Place: New Delhi
Date: 28.05.2019

“Annexure A” TO INDEPENDENT AUDITOR’S REPORT

The State Trading Corporation of India Ltd.

Referred to Clause (vii) under the heading of “Report on other Legal and Regulatory Requirements” of our report of even date on Consolidated Financial Statements for the year ended 31st March 2019

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 on 31st March, 2019 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the holding company and the subsiding company 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 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 judgment, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of un-authorized 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

With respect to Holding Company, following material weaknesses have been identified as at 31st March, 2019

- i Company is maintaining Accounts in Tally ERP Software. However, the Tally ERP Software on which accounts are being maintained by the Branches are not integrated with the server mentioned at Head office. Further, Inventories and Consumables, except for Bullion, are not being maintained on the Tally ERP, instead it is maintained manually.

Further, company is maintaining "Performance Management System", Payroll Software and "Leave Management System" which are not interfaced with each other as well as the accounting software.

As a result of above, Manual Accounting entries are being made on periodical basis in the Tally ERP Accounting software, and consolidation of the Financial Statements/Accounts of 10 Branches and 9 Divisions are being made through MS-Excel.
- ii Lack of control over release of advance to parties 'in-comparison with the targeted performance / milestone to be provided by the parties. For Instance, in the case of installation of 5 Lifts, advance given by the company against all the 5 lifts, out of which 4 lifts are still under installation even after delay of 10 months (approx).
- iii Lack of effective Internal control over inventory pledged with STC as in most of the cases periodic physical verification reports have not been submitted by the parties and in certain cases parties are not allowing STC to conduct the physical verification.
- iv In certain cases reconciliations of receivables & payables are pending since long and impact of the same is not ascertainable.
- v With respect to Mumbai branch of the Company, the Branch auditor has reported for the inadequate internal audit system, weakness in the system of customer acceptance, credit evaluation and establishing customer credit limits and other related controls are not in place.
- vi Lack of Control over legal expenses due to non-maintenance of proper records showing case wise and advocate wise details.
- vii Lack of control over contingent liability and contingent assets due to non-maintenance of proper records showing fact of the case, latest status of the case due to which the probability of payment recovery could be not be verified

With respect to Subsidiary Company, following material weaknesses have been identified as at 31st March, 2019

- i The 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.
- ii The lease rent of steam sterilization unit located in Chindwara, Madhya Pradesh was terminated on 03.02.2018 w.e.f. 31.03.2015 due to non-performance. The Company has initiated legal process for recovery of its dues.
- iii The company has given rent advance to the tune of s. 1.93 Crore (Balance as on 31.03.2019) with STC India Limited (the Holding Company), given towards occupation of earlier premises taken from STC India Limited which has been terminated.
- iv The Board of Directors of the Company has 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. Presently, a General Manager is looking after the activities of the Company and reporting to the board of Directors of the Company.
- v The company has not provided interest during the year on Cash Credit and Packing Credit advances availed from the consortium of banks on the ground that the prevailing rate of interest is low in comparison to interest provided in earlier years and confirmation of balance from the banks has not been received by the company. Due to non-provision of interest, the loss has been understated by ₹766.22 Crore with consequential reduction in bank liabilities.

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 deducted on 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, 2019, 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.

We have, to the extent possible, considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 consolidated INDAS financial statements of the group, and these material weaknesses are not likely to affect our opinion on the consolidated financial statements of the group.

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 one subsidiary company, which is the company incorporated in India, is based on the corresponding reports of the auditor of such subsidiary company.

For Thakur, Vaidyanath Aiyar & Co.

Chartered Accountants
(FRN: 000038N)

Sd/-

(K. K. Upadhyay)

Partner

M. No.: 096584

Place: New Delhi

Date: 28.05.2019

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

(₹ Crore)

Particulars	Note No	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	4	596.40	605.03
(b) Capital work-in-progress	5	0.37	2.10
(c) Investment property	6	307.44	312.50
(d) Other intangible assets	7	0.02	0.10
(e) Financial Assets :			
(i) Investments	8	0.01	0.01
(ii) Trade receivables	9	966.98	964.55
(iii) Loans	10	6.78	9.76
(iv) Other Financial Assets	11	20.15	52.44
(f) Deferred tax assets (net)	12	86.49	73.67
(g) Other non-current assets	14	7.46	9.86
Sub total		1,992.10	2,030.02
Current Assets			
(a) Inventories	15	0.16	0.25
(b) Financial Assets :			
(i) Trade receivables	9	120.77	2,220.99
(ii) Cash & cash equivalents	16	124.12	99.20
(iii) Bank Balances other than (iii) above	17	3.72	2.52
(iv) Loans	10	2.51	5.10
(v) Other Financial Assets	11	521.64	48.63
(c) Tax Assets (Net)	13	28.19	10.31
(d) Other Current Assets	14	14.50	25.76
(e) Other non-current assets held for disposal		0.01	-
Sub total		815.62	2,412.76
Total Assets		2,807.72	4,442.78
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	18	60.00	60.00
(b) Other Equity	19	(4,573.26)	(3,691.86)
Sub total		(4,513.26)	(3,631.86)
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Trade payables-MSME		-	-
(ii) Trade payables-Others	21	991.17	993.29
(iii) Other Financial Liabilities	22	36.83	41.53
(b) Provisions	23	109.40	105.66
(c) Other non-current liabilities	24	8.47	9.68
Sub total		1,145.87	1,150.16
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	2,081.49	2,797.54
(ii) Trade payables-MSME		-	-
(iii) Trade payables-Others	21	185.95	216.45
(iv) Other Financial Liabilities	22	3,760.98	3,790.76
(b) Provisions	23	23.87	31.84
(c) Other current liabilities	24	122.82	87.89
Sub total		6,175.11	6,924.48
Total Equity and Liabilities		2,807.72	4,442.78

Significant Accounting Policies and the accompanying notes 1 to 62 form an integral part of accounts.

As per our report of even date attached

For Thakur, Vaidyanath Aiyar & Co.

Chartered Accountants

Firm Reg. No. 000038N

Sd/-
(K K Upadhyay)
Partner
M. No. 096584

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

Sd/-
(Rooma Nagrath)
GM-F & CFO

Sd/-
(Deepak CS)
Company Secretary
FCS -5060

Place: New Delhi
Dated: 28.05.2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ Crore)

Particulars		Note No.	Year Ended March 31, 2019	Year Ended March 31, 2018
Income				
i)	Revenue from Operations	25	8,903.44	10,865.71
ii)	Other Income	26	109.85	303.49
	Total Income		9,013.29	11,169.20
Expenses				
i)	Cost of materials consumed	27	-	0.01
ii)	Purchases of Stock in trade	28	8,886.81	10,797.50
iii)	Change in Inventory	29	0.02	39.44
iv)	Employees' Benefit Expenses	30	101.38	107.59
v)	Finance Cost	31	155.59	834.04
vi)	Depreciation & Amortization Expenses	32	15.46	16.72
vii)	Other Expenses	33	38.60	27.61
	Total expenses		9,197.86	11,822.91
Profit before exceptional items and tax			(184.57)	(653.71)
	Exceptional Items -Expense/(Income)	34	714.49	(30.44)
Profit Before Tax			(899.06)	(623.27)
	Tax expense	35		
(i)	Current tax		(16.04)	(5.27)
Profit for the Year from continuing operations			(883.02)	(618.00)
I	Profit for the Year		(883.02)	(618.00)
II	Other Comprehensive Income			
i)	Items that will not be reclassified to profit or loss			
	- Remeasurements of the defined benefit plans		1.62	3.47
	Less: Income Tax on Above		-	1.67
ii)	Items that will be reclassified to profit or loss			
	Other Comprehensive Income		1.62	1.80
	Total Comprehensive Income for the Year		(881.40)	(616.20)
	Earnings per equity share			
(1)	Basic		(147.17)	(103.00)
(2)	Diluted		(147.17)	(103.00)

Significant Accounting Policies and the accompanying notes 1 to 62 form an integral part of accounts.
As per our report of even date attached

For Thakur, Vaidyanath Aiyar & Co.

Chartered Accountants
Firm Reg. No. 000038N

Sd/-
(K K Upadhyay)
Partner
M. No. 096584

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

Sd/-
(Rooma Nagrath)
GM-F & CFO

Sd/-
(Deepak CS)
Company Secretary
FCS -5060

Place: New Delhi
Dated: 28.05.2019

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ Crore)

Particulars		For the Year Ended 31 st March, 2019	For the Year Ended 31 st March, 2018
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit /(Loss) Before Tax	(899.06)	(623.26)
	Adjustment for:		
	-Interest on working capital loans	155.49	833.38
	-Depreciation	15.46	16.69
	-Net write back of Debts/Advances/claims/Liabilities	628.06	(28.37)
	-Income/Expenditure relating to let out property	(41.41)	(31.15)
	- Interest Income on fixed deposits/Investments	(17.85)	(1.34)
	-Loss on sale of asset	0.03	0.01
	-Amortisation of grants	(0.20)	(0.24)
	-Profit on sale of assets	(0.10)	(0.08)
	Operating Profit Before Working Capital Changes	(159.57)	165.64
	Adjustment for:		
	-Trade and other receivables	1,587.57	(127.78)
	-Inventories	0.09	39.46
	-Trade and other payables	(39.16)	164.16
	-Transfer/Adjustment of Reserves	-	(42.33)
	Changes In Working Capital	1,388.93	199.16
	Income Tax Paid	(18.12)	7.98
	Net Cash Generated/Used In Operating Activities (A)	1,370.81	207.14
B	CASH FLOW FROM INVESTING ACTIVITIES		
	-Purchase of Fixed Assets	(0.65)	(1.61)
	-Sale of Fixed Assets	0.76	5.08
	-Proceeds Received	(32.73)	1.12
	-Interest received	17.84	-
	-Let out properties (net)	41.41	31.15
	Net Cash From Investing Activities (B)	26.63	35.74
C	CASH FLOW FROM FINANCING ACTIVITIES		
	-Increase in Working Capital Loan(net)	(745.34)	(50.42)
	-Interest Paid	(155.49)	(178.68)
	Net Cash From Financing Activities (C)	(900.83)	(229.10)
	Net Increase/Decrease In Cash And Cash Equivalents (A+B+C)	496.61	13.78
	Reconciliation of Cash & Cash Equivalents		
	Closing Cash & Bank Balances as per Balance Sheet	517.78	21.00
	Opening Cash & Bank Balances as per Balance Sheet	21.18	7.22
	Cash & Bank Balances as per Cash Flow Statement	496.61	13.78
	Cash & cash equivalents as per Balance Sheet	630.94	101.73
	Less: Non readily convertible Bank Deposits	506.82	80.73
	Cash & cash equivalents as per cash flow statement	124.12	21.00
	Cash & cash equivalents includes unpaid dividend	0.05	0.08

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

Significant Accounting Policies and the accompanying notes 1 to 62 form an integral part of accounts.

As per our report of even date attached

For Thakur, Vaidyanath Aiyar & Co.

Chartered Accountants

Firm Reg. No. 000038N

Sd/-
(K K Upadhyay)
Partner
M. No. 096584

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Sd/-
(Rooma Nagrath)
GM-F & CFO

Sd/-
(Deepak CS)
Company Secretary
FCS -5060

Place: New Delhi
Dated: 28.05.2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(i) Equity Share Capital

(₹ Crore)

Particulars	No. of shares (in Crore)	Face Value (₹)	Amount
Balance as at April 1, 2017	6.00	10.00	60.00
Changes in share capital during 2017-18	-	-	-
Balance as at March 31, 2018	6.00	10.00	60.00
Changes in share capital during 2018-19	-	-	-
Balance as at March 31, 2019	6.00	10.00	60.00

(ii) Other Equity

(₹ Crore)

Particulars	Reserves and Surplus							Total
	General Reserve	Capital Reserve	Retained Earnings	Exchange Fluctuation Reserve	Bonus Reserve	Other Reserve (Revaluation Reserve)	Contingency Reserve	
Balance at April 1, 2017	65.54	2.50	(4,040.53)	6.50	-	885.96	4.35	(3,075.68)
Total Comprehensive Income for the year	-	-	(616.20)	-	-	-	-	(616.20)
Transfer to Bonus Reserve (Set on)	-	-	-	-	-	-	-	-
Transfer from Bonus Reserve (Set off)	-	-	-	-	-	-	-	-
Prior Period Adjustment	-	-	0.02	-	-	-	-	0.02
Balance at March 31, 2018	65.54	2.50	(4,656.71)	6.50	-	885.96	4.35	(3,691.86)
Total Comprehensive Income for the year	-	-	(881.40)	-	-	-	-	(881.40)
Transfer to Bonus Reserve (Set on)	-	-	-	-	-	-	-	-
Transfer from Bonus Reserve (Set off)	-	-	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-	-	-
Balance at March 31, 2019	65.54	2.50	(5,538.11)	6.50	-	885.96	4.35	(4,573.26)

As per our report of even date attached

For Thakur, Vaidyanath Aiyar & Co.

Chartered Accountants

Firm Reg. No. 000 038N

Sd/-
(K K Upadhyay)

Partner
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Sd/-
(Deepak CS)
Company Secretary
FCS -5060

Place: New Delhi
Dated: 28.05.2019

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS 2018-19

1. Corporate 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 of the financial statements of the Company and its subsidiary / Joint ventures. (referred to collectively as 'the Group') and group's 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 10 branch offices spread across the country.

2 Basis of Preparation of Financial statement

i) Statement of Compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules comply in all material aspects with the relevant provisions of the Companies Act 2013 and other accounting principal generally accepted in India.

ii) Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention on accrual basis except for certain financial assets and liabilities which are measured at fair value or amortized cost at the end of each financial year.

iii) Critical Accounting Estimates /Judgments

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates where necessary are recognized prospectively.

Significant areas of estimation and judgments (as stated in the respective Accounting Policies) that have the most significant effect on the Financial Statements are as follows:

- i. Impairment of Assets
- ii. Measurement of useful life and residual values of property, plant and equipment and the assessment as to which components of the cost may be capitalized.
- iii. Recognition and measurement of defined benefit obligations
- iv. Measurement of Fair Values and Expected Credit Loss (ECL)
- v. Judgment is required to ascertain whether it is probable or not that an outflow of resources embodying economic benefits will be required to settle the taxation disputes and legal claim.

iv) Operating cycle & classification of Current & Non-Current

The Group is in Trading Business, there is no specific operating cycle; however, 12 months period has been adopted as "the Operating Cycle" in-terms of the provisions of Schedule III to the Companies Act 2013. Accordingly, current liabilities and current assets include the current portion of non-current financial liabilities and assets.

v) Functional Currency

These consolidated financial statements are presented in Indian Rupee (INR) which is group's presentation and functional currency and all values are in nearest Crore (up to two decimal) unless otherwise stated.

vi) 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.

a) 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 parent's investment in subsidiary has been eliminated.

b) 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 group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

3 Significant Accounting Policies

3.1 Property, Plant & Equipments (PPE)

- a) The cost of an item of PPE is recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the group 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 group 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.
- b) 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.
- c) 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.
- d) The group has elected to continue with carrying value of PPE from the date of transition.

3.2 Intangible Assets

- a) Identifiable intangible assets are recognized when the group controls the asset; it is probable that future economic benefits expected with the respective assets will flow to the group for more than one economic period; and the cost of the asset can be measured reliably.
- b) Intangible assets acquired separately are measured on initial recognition at cost. Cost comprises purchase price, import duties, non-refundable purchase tax, after deducting tax recoverable, 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.
- c) All Intangible Assets (Computer Software's) are stated at carrying value from the date of transition.

3.3 Investment Property

Investment Properties are properties held to earn rentals and / or for capital appreciation. Investment properties are measured initially at cost including transaction cost, Subsequently, Investment property are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is provided as per policy of the group for the same. Any gain or loss on disposal is recognized in Statement of Profit & Loss.

3.4 Depreciation / Amortization

Depreciation is provided on Straight Line Method over the useful life of assets as per Schedule II of Companies Act 2013, keeping a residual value of 5% of the original cost except for the assets mentioned below:

- i) Intangible items are depreciated / amortized over a period of 2.5 years.
- ii) Land on perpetual lease is not amortised.
- iii) In case, life has not been prescribed under Schedule II of the Companies Act, the same have been determined by

technically qualified person and approved by the Board of Directors keeping a residual value of 5% of the original cost. The details of such assets & estimated useful life are as under :

S.No.	Description of Assets	Estimated life in years
1.	Components: HVAC plant	
a)	Chiller Unit	15
b)	Piping work	15
c)	Air handling work	10
d)	Other components	15

iv Lease hold assets are amortised over the lease period.

Depreciation method, useful lives and residual value are reviewed by the management at each year end.

3.5 Impairment of Non-Financial Assets

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 group 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 group 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.

3.6 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.

A Finance lease

- A lease is classified as finance lease or operating lease at the inception date. Leases of property, plant and equipment that transfer to the group substantially all of the risks and rewards of ownership are classified as finance lease.
- Assets held under finance lease are initially capitalized at the fair value at the inception of lease or at the present value of the minimum lease payments whichever is lower.
- Minimum lease payments made under finance lease are apportioned between the finance costs and the reduction of the outstanding liability treated as loan. The finance cost is allocated to each period during the lease term. However, if they are directly attributable to qualifying assets, then they are capitalized in accordance with the group's general policy on borrowing cost.
- 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.

B Operating Lease

- i. 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. Operating lease income is recognized on a straight-line basis over the lease term of relevant lease.

3.7 Inventories

- a) Inventories are carried at lower of cost and net realizable. Cost is determined as under :
- b) Inventories are valued on yearly weighted average method except items handled on back to back basis which are valued on actual cost as per specific identification method.
- c) Goods-in-transit is valued at CIF cost.
- d) 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.

3.8 Revenue Recognition

IND AS 115 addresses the recognition of revenue from customer contracts and impacts on the amounts and timing of the recognition of such revenue.

Revenue from sale of goods, commodities and any other products are recognised when all following conditions are satisfied:

- i. Neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold is retained.
- ii. Significant risk and rewards of ownership of the goods have been transferred to the buyer.
- iii. The amount of revenue is measured reliably.
- iv. It is probable that the economic benefits associated with the transactions will flow to the group.
- v. The cost incurred or to be incurred in respect of transaction can be measured reliably.
- vi. If there are any trade discounts and volume rebate, with respect to revenues from the sale of products and commodities are deducted from revenues.
- vii. Revenues are measured at fair value of consideration received or recoverable.

a) Revenue from Operating Activities

- Revenues from operating activities include revenues relating to various trading transactions in which the group is act as principal, carries commodity inventories. These revenues are mainly from sale of fertilisers, food grains, metals and other products.
- **Margins on Operating Transactions**
Margins on operating transactions also include revenue from various trading activities in which group acts as a principal or an agent. Through its trading activities, the group facilitates its customers' purchase and sale of commodities/bullion and other products and charge a fixed margin as agreed.
- The group also facilitates conclusion of the contracts between suppliers / manufacturers and customers and delivery of the products between suppliers and customers. Revenue from such activities are recognised when the contracted services are rendered / goods are supplied to third parties / customers pursuant to the agreements.

The IND AS 115 introduced a five-step approach to revenue recognition – identifying the contract; identifying the performance obligations in the contract; determining the transaction price; allocating that transaction price to the performance obligations; and finally recognising the revenue as those performance obligations are satisfied. IND AS 115 did not have a material impact due to the nature of the business & services provided – the cycle from order through to delivery of these services is generally short. The other businesses, the methodology adopted for revenue recognition under IND AS 115 was not materially different from the previous IND AS for Revenue recognition.

i. Dividend and Interest Income

Dividend income is recognized when the group's right to receive dividend is established.

Interest income from a financial asset is recognized using the effective interest rate (EIR) method.

ii. Claims

Claims (including interest on outstanding) are recognized at cost when there is a reasonable certainty regarding its ultimate collection.

iii. Revenue Recognition on Actual Realization

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

- a) Export benefits.
- b) Interest realisable from the items handled on Government account.

3.9 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).

3.10 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 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.

3.11 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 group 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:
 - i) Provision for gratuity, leave encashment and half pay leave are determined on the basis of actuarial valuation using the projected unit credit method.
 - ii) Liability towards post retirement medical benefit is provided based on actuarial valuation as 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.

3.12 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 group 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 group'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 group 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.

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 group'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 group 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 group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group 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.

3.13 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 group

- 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 group 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.

3.14 Provisions, Contingent Liabilities and Contingent Assets**General**

Provisions are recognized when the group 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 group 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 group 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.

3.15 Earnings per share

Basic earning per equity is computed by dividing the net profit attributable to the equity holders of the group 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 group 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.

3.16 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 Group has identified its Operating Segments as Exports, Imports and Domestic.

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

As per our report of even date attached

For Thakur, Vaidyanath Aiyar & Co.

Chartered Accountants

Firm Reg. No. 000038N

Sd/-

(K K Upadhyay)

Partner

M. No. 096584

Sd/-

(Rajiv Chopra)

Director (Marketing) with
additional charge of CMD

DIN -06466326

Sd/-

(Rooma Nagrath)

GM-F & CFO

Sd/-

(Deepak CS)

Company Secretary

FCS -5060

Place: New Delhi

Dated: 28.05.2019

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019

4 Property, Plant and Equipment

For the year ended March 31, 2019

(₹ Crore)

	GROSS BLOCK				DEPRECIATION & AMORTIZATION				ACCUMULATED IMPAIRMENT				NET BLOCK
Particulars	Gross carrying value as at April 01, 2018	Additions	Disposal/ adjustments	Gross carrying value as at March 31, 2019	Accumulated depreciation as at April 01, 2018	Additions	Disposal/ adjustments	Accumulated depreciation as at March 31, 2019	As on April 01, 2018	Additions	Disposal/ adjustments	As at March 31, 2019	Carrying Value as at March 31, 2019
Tangible Assets -Freehold													
Land	11.73	-	-	11.73	-	-	-	-	-	-	-	-	11.73
Building	109.25	-	(0.23)	109.48	11.06	5.47	(0.01)	16.54	0.67	-	-	0.67	92.27
Plant & Machinery	9.73	1.49	0.08	11.14	1.73	0.80	-	2.53	0.23	-	-	0.23	8.38
Furniture & Fixtures	1.11	-	0.06	1.05	0.32	0.15	0.03	0.44	-	-	-	-	0.61
Motor Vehicle	1.01	-	-	1.01	0.22	0.12	-	0.34	0.01	-	-	0.01	0.66
Office Equipment	0.51	-	0.07	0.44	0.23	0.09	0.04	0.28	-	-	-	-	0.16
Computers, data processing units & communication equipment	0.90	-	0.03	0.87	0.49	0.20	0.02	0.67	0.01	-	-	0.01	0.19
Electrical Installations & Equipment	3.14	0.35	0.01	3.48	0.63	0.40	0.01	1.02	-	-	-	-	2.46
Other Assets held for Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (A)	137.38	1.84	0.02	139.20	14.68	7.23	0.09	21.82	0.92	-	-	0.92	116.46
Tangible Assets -Leasehold													
Land	388.75	-	-	388.75	0.41	0.20	-	0.61	-	-	-	-	388.14
Building	99.04	-	-	99.04	6.96	2.75	-	9.71	-	-	-	-	89.33
Roads, culverts & sewerage etc	0.17	-	-	0.17	0.04	0.02	-	0.06	-	-	-	-	0.11
Plant & Machinery	3.39	-	-	3.39	0.69	0.34	-	1.03	-	-	-	-	2.36
Others (specify nature)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (B)	491.35	-	-	491.35	8.10	3.31	-	11.41	-	-	-	-	479.94
Total (A+B)	628.73	1.84	0.02	630.55	22.78	10.54	0.09	33.23	0.92	-	-	0.92	596.40
Previous year's	632.92	0.31	4.46	628.77	11.52	11.29	-	22.81	0.35	0.56	-	0.91	605.03

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

1 Notes of the Holding Company

(a) Title/Lease deed in respect of following properties is pending for execution

i. Leasehold Land

- Lease hold land includes land measuring 2.599 acres allotted by L&DO vide "Memorandum of Agreement for Lease" dated 05.12.1975 for construction of office building i.e. Jawahar Vyapar Bhawan at Janpath, New Delhi for which lease deed is yet to be executed in the name of the Company.
- Lease hold land includes land measuring 16.17 acre (50% share of total Land 32.33 acre allotted in the joint name of STC & MMTC) by L& DO/DDA vide Memorandum of Agreement dated 5th Feb, 1968 for construction of Housing Colony at Aurbindo Marg, New Delhi. The lease deed demarcating 50% area of allotted leasehold land in the name of the company is yet to be made.
- Lease hold land includes a plot at Mallet Bunder, Mumbai Port Trust (where STC has a Tank Farm Installation) for which lease period has expired and is yet to be renewed.

ii. Freehold Building

- Freehold Building includes house building at Asian Games Village Complex (AGVC) allotted by DDA vide allotment letter dated 30.05.1984 for which title deed is yet to be executed in the name of the Company.
- Free hold building includes 7 apartments in Mumbai (Located 2 at Wallace Apartment Grant Road, 3 at Mandar Apartment, 1 at Shyamsadan at Khar (West) and 1 at Las Palmas, Malabar hills) for which conveyance deed in the name of company is yet to be executed.

(b) No Adjustment in respect of area and value has been made for following lands as the amount of compensation and execution of documents for this purpose are still pending

- 325.685 square metres taken by NDMC for widening of roads during Asian Games and 388.91 square metres taken by DMRC for construction of Metro / Metro Station out of the total leasehold land allotted by L& DO to STC for construction of office building at (Jawahar Vyapar Bhawan) Tolstoy Marg, Janpath, New Delhi. The Company is in the process of updating the same in Fixed Assets Register / Schedule in respect of its area & value.
- 4 blocks having 64 flats located at STC housing colony, Aurbindo Marg, New Delhi sold to HHEC for which impact in FAR/FAS is to be given. Further, the measurement of physical position is under consideration.

(c) As approved in the 436th Board Meeting dated 12th August 1991 for the sale of "office space in the Jawahar Vyapar Bhawan Building" total office space measuring 67,418 sq.ft. were sold to CCIC & HHEC. However, execution of sale deed for sale of office space in the name of CCIC & HHEC is yet to be done. The Company is considering for the measurement of physical position of land and accordingly updation of the area and value in Fixed Assets Register/ Schedule against cost of land & building is to be updated.

5 Capital Work - In - Progress

For the year ended March 31, 2019

(₹ Crore)

Particulars	Balance as at April 01, 2018	Additions/ (Adjustments) during the year	Capitalized during the year	Balance as at March 31, 2019
Office Building	0.06	(0.06)	-	-
Plant & Equipment	0.73	(0.48)	0.20	0.05
Office Equipment	0.80	(0.77)	-	0.03
Others	0.21	0.13	0.34	-
Intangible Assets under Development	0.30	(0.01)	-	0.29
Total	2.10	(1.19)	0.54	0.37
Previous year's	1.26	1.29	0.45	2.10

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

6 Investment Property

For the year ended March 31, 2019

(₹ Crore)

Particulars	FREEHOLD		LEASEHOLD		Total
	Land	Building	Land	Building	
Gross carrying value as at April 1, 2018	16.14	4.24	204.05	97.72	322.15
Additions	-	-	-	-	-
Disposal/adjustments	-	0.23	-	-	0.23
Gross carrying value as at March 31, 2019	16.14	4.01	204.05	97.72	321.92
Accumulated depreciation as at April 1, 2018	-	0.16	1.25	8.21	9.62
Additions	-	0.09	0.62	4.14	4.85
Disposal/(adjustments)	-	0.01	-	-	0.01
Accumulated depreciation as at March 31, 2019	-	0.24	1.87	12.35	14.46
Impairment as at April 1, 2018	-	0.02	-	-	0.02
Additions	-	-	-	-	-
Disposal/adjustments	-	-	-	-	-
Impairment as at March 31, 2019	-	0.02	-	-	0.02
Carrying Value as at March 31, 2019*	16.14	3.75	202.18	85.37	307.44

* During the year no fair value measurement of Investment property has been carried out, as there is no significant fluctuation in the open market.

Amounts recognized in the statement of profit & loss for investment properties

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rental income derived from Investment Properties	48.60	41.28
Direct operating expenses from property that generated rental income	(7.19)	(10.37)
Profit from investment properties before depreciation	41.41	30.91
Depreciation	(4.85)	(4.82)
Profit from investment properties	36.56	26.09

7 Intangible Assets

For the year ended March 31, 2019

(₹ Crore)

Particulars	Computer Softwares	Others	Total
Gross carrying value as at April 1, 2018	0.14	-	0.14
Additions	-	-	-
Disposal/adjustments	-	-	-
Gross carrying value as at March 31, 2019	0.14	-	0.14
Accumulated amortisation as at April 1, 2018	0.04	-	0.04
Additions	0.08	-	0.08
Disposal/adjustments	-	-	-
Accumulated amortisation as at March 31, 2019	0.12	-	0.12
Carrying Value as at March 31, 2019	0.02	-	0.02

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(₹ Crore)

	Particulars	As at March 31, 2019	As at March 31, 2018
8	Investments		
	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 ₹10 each)	0.10	0.10
	Less: Impairment in value of Investment	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
	Less: Impairment in value of Investment	0.10	0.10
	Net	-	-
	Maharashtra Small Scale Industries Development		
	10,000 (Fully paid up Equity shares of ₹100/-each)	0.10	0.10
	Less: Impairment in value of Investment	0.10	0.10
	Net	-	-
	Andhra Pradesh State Trading Corporation		
	100 (Fully paid up Equity shares of ₹1000/-each)	0.01	0.01
	Less: Impairment in value of Investment	-	-
	Net	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

8.1 Investment of ₹0.20 Crore (₹0.20 Crore) in Joint Venture Company (NSS Satpura Agro Development Co. Ltd.) has been fully provided for in earlier years as the net worth of the company has been eroded completely.

9 Trade Receivables

A	Non Current		
	i. Secured ~ Considered good*	11.34	11.33
	ii. Unsecured Considered good	955.64	953.22
	iii. Having Significant increase in credit risk**	-	-
	iv. Credit Impaired	620.44	620.01
	Sub-total	1,587.42	1,584.56
	Less: Allowance for receivables Having Significant increase in credit risk	620.44	620.01
	Total (A)	966.98	964.55

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)
(₹ Crore)

Particulars		As at March 31, 2019	As at March 31, 2018
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 Current			
i.	Secured, Considered good*	6.96	40.11
ii.	Unsecured Considered good	113.81	2,180.88
iii.	Having Significant increase in credit risk**	-	-
iv.	Credit Impaired	36.88	33.45
		157.65	2,254.44
Less: Allowance for receivables Having Significant increase in credit risk		36.88	33.45
Total (B)		120.77	2,220.99
Total (A+B)		1,087.75	3,185.54

* Trade receivables are secured against pledged stock and immovable property etc..

** Out of the total trade receivable of ₹1087.75 Crore of the Holding Company includes ₹974.78 Crore under dispute and legal proceedings are pending at various levels. (for details of major legal cases refer note no. 38). Further, Company has creditor's balances of ₹1071.14 Crore to be paid only on realization from the above trade receivables.

Trade receivables against which dispute/legal proceedings are under process, have been considered as "Having Significant increase in credit risk". The company feels that even if no amount would eventually be recovered, no credit impairment is required for the credit risk since the creditor will be paid by the company only to the extent the amount is realized from the debtors. for remaining balance of ₹112.97 Crore management is hopeful for recovery, hence no provision has been considered necessary.

10 Loans

Non-current			
A. Security Deposits			
i.	Secured, considered good	0.28	0.28
ii.	Unsecured, considered good	1.61	3.48
iii.	Having Significant increase in credit risk	-	-
iv.	Credit Impaired	5.17	4.14
Sub-total		7.06	7.90
Less: Allowance deposits Having Significant increase in credit risk		5.17	4.14
Less: Fair value Adjustment-SD		0.03	0.01
Total (A)		1.86	3.75

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)
(₹ Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
B. Loan to Others		
i. Secured, considered good		
ii. Unsecured, considered good		
iii. Having Significant increase in credit risk	-	-
iv. Credit Impaired	35.78	35.78
Less: Allowance loans Having Significant increase in credit risk	35.78	35.78
Total (B)	-	-
C. Loan to Employees		
i. Secured, considered good*	2.19	2.77
ii. Unsecured, considered good	0.06	0.17
iii. Having Significant increase in credit risk	-	-
iv. Credit Impaired	-	-
Less: Allowance for loans Having Significant increase in credit risk	-	-
Less: Fair value adjustments (Loans to employees)	1.82	2.39
Add: Interest accrued	4.49	5.46
Total (C)	4.92	6.01
Total (A+B+C)	6.78	9.76
Current		
A. Security Deposits		
i. Secured, considered good	-	-
ii. Unsecured, considered good	1.30	3.44
iii. Having Significant increase in credit risk	-	-
iv. Credit Impaired	-	-
Sub-total	1.30	3.44
Less: Allowance for deposits Having Significant increase in credit risk	-	-
Less: Fair Value Adjustment-SD	0.01	0.05
Total (A)	1.29	3.39
B. Loan to Employees		
i. Secured, considered good*	0.56	0.70
ii. Unsecured, considered good	0.13	0.25
iii. Having Significant increase in credit risk	-	-
iv. Credit Impaired	-	-
Less: Allowance for loans Having Significant increase in credit risk	-	-
Less: Fair value adjustments (Loans to employees)	0.13	0.19
Add: Interest accrued	0.66	0.95
Total (B)	1.22	1.71
Total (A+B)	2.51	5.10

* Secured against Hypothecation of motor car & house property

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

11 Other Financial Assets

(₹ Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
A. Term deposit with maturity more than 12 months		
- Term Deposit with banks	1.91	1.80
- Term Deposit with others*	8.37	41.34
- Interest Accrued on Term Deposits	0.37	0.23
(A)	10.65	43.37
B. Claims Recoverable		
i. Secured, considered good	-	-
ii. Unsecured, considered good	9.17	8.74
iii. Having Significant increase in credit risk	-	-
iv. Credit Impaired	95.95	97.17
Sub-total	105.12	105.91
Less: Allowance for claims Having Significant increase in credit risk	95.95	97.17
(B)	9.17	8.74
C. Deposits	0.33	0.33
D. Other Misc. advance		
i. Secured, considered good	-	-
ii. Unsecured, considered good	-	-
iii. Having Significant increase in credit risk	-	-
iv. Credit Impaired	0.36	0.36
Sub-total	0.36	0.36
Less: Allowance for advances Having Significant increase in credit risk	0.36	0.36
(C)	-	-
Total (A+B+C+D)	20.15	52.44
Current		
A) Interest accrued on		
- Term deposits with maturity more than 3 and upto 12 months	0.03	0.03
- Term deposits with maturity less than 3 months	-	0.01
- Interest Accrued but not due on deposits	0.14	0.08
Treasury Bills	503.10	-
B) Other	-	0.11
C) Claims Recoverable		
i. Secured, considered good	-	0.83
ii. Unsecured, considered good	18.37	47.57
iii. Having Significant increase in credit risk	-	-
iv. Credit Impaired	1,155.25	1,155.25
Sub-total	1,173.62	1,203.65
Less: Allowance for claims Having Significant increase in credit risk	1,155.25	1,155.25
(C)	18.37	48.40
Total (A+B+C)	521.64	48.63
Total (Other Financial Assets)**	541.79	101.07

* Deposit with registrar, Delhi High Court

** Out of the other financial assets of ₹541.73 Crore of the Holding Company (not provided for) and non financial assets (note no. 14) of ₹4.09 Crore includes ₹17.24 Crore of the Holding Company having significant increase in credit risk under legal dispute and case proceedings are pending at various levels. (for details of major legal cases refer note no. 38).

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

12 Deferred tax assets (Net)

(₹ Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets and liabilities are attributable to the following		
A. Deferred Tax Liability		
Property, plant and equipment	2.07	2.07
Sub Total	2.07	2.07
B. Deferred tax Assets		
Provisions	75.08	75.08
Sub Total	75.08	75.08
C. MAT Credit Entitlement	13.48	0.67
Net Deferred Tax (Liabilities)/ Assets	86.49	73.67

Movement in deferred tax balances during the year ended 31.03.2019

Opening Balance	73.01	73.01
Closing Balance	73.01	73.01

Unrecognised Deferred tax assets

Deferred tax assets have not been recognised in respect of the following items

Deferred Tax Assets		
Provisions	257.53	257.88
Carry Forward losses	158.30	12.18
Other Disallowances	15.96	20.35
Sub Total	431.79	290.41
Deferred Tax Liabilities		
Property Plant & Equipment	86.55	0.25
Sub Total	86.55	0.25
Change in tax rate effect not recognized	4.07	3.53
Total	349.31	293.69

Recognized MAT credit available to Company

2014-15 (Credit available up to F.Y. 31.03.2025)	4.01	0.67
2014-15 (Credit available up to F.Y. 31.03.2027)	7.59	-
2014-15 (Credit available up to F.Y. 31.03.2028)	1.88	-
Total	13.48	0.67

13 Tax Assets (Net)

Current Tax Assets		
Advance Tax including TDS	215.90	201.25
Current Tax Liabilities		
Income Tax Payable/Provision	187.71	190.94
Total	28.19	10.31

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(₹ Crore)

14 Other Assets (Non-Financial)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-Current		
A. Capital Advances		
i. Secured, considered good	-	-
ii. Unsecured, considered good	0.99	0.27
iii. Having Significant increase in credit risk	-	-
iv. Credit Impaired	-	-
Sub-total	0.99	0.27
Less: Allowance for advances Having Significant increase in credit risk	-	-
(A)	0.99	0.27
B. Trade Advances		
i. Secured, considered good	-	-
ii. Unsecured, considered good	-	-
iii. Having Significant increase in credit risk	-	-
iv. Credit Impaired	92.36	92.30
Sub-total	92.36	92.30
Less: Allowance for advances Having Significant increase in credit risk	92.36	92.30
(B)	-	-
C. Other Misc. Advances		
i. Secured, considered good	0.26	0.26
ii. Unsecured, considered good	0.03	0.09
iii. Having Significant increase in credit risk	-	-
iv. Credit Impaired	0.01	-
Sub-total	0.30	0.35
Less: Allowance for advances Having Significant increase in credit risk	0.01	-
(C)*	0.29	0.35
D. Security Deposits		
i. Secured, considered good	-	-
ii. Unsecured, considered good	4.37	4.33
iii. Having Significant increase in credit risk	-	-
iv. Credit Impaired	0.87	0.87
Sub-total	5.24	5.20
Less: Allowance for deposits Having Significant increase in credit risk	0.87	0.87
(D)	4.37	4.33
E. Deffered Employee cost due to Fair Valuation	1.78	2.32
F. Deffered Fair Valuation Loss- Deposit Receivable	0.03	0.01
G. Claims Recoverable		
i. Secured, considered good	-	-
ii. Unsecured, considered good	-	2.59
iii. Having Significant increase in credit risk	-	-
iv. Credit Impaired	4.18	4.18
Sub-total	4.18	6.77
Less: Allowance for claims Having Significant increase in credit risk	4.18	4.18
(G)	-	2.59
Total	7.46	9.86

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(₹ Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
A. Trade Advances		
i. Secured, considered good	-	-
ii. Unsecured, considered good	0.01	6.68
iii. Having Significant increase in credit risk	-	-
iv. Credit Impaired	-	-
Sub-total	0.01	6.68
Less: Allowance for advances Having Significant increase in credit risk	-	-
(A)	0.01	6.68
B. Other Misc. Advances		
i. Secured, considered good	2.51	5.05
ii. Unsecured, considered good	1.29	-
iii. Having Significant increase in credit risk	-	-
iv. Credit Impaired	0.26	0.26
Sub-total	4.06	5.31
Less: Allowance for advances Having Significant increase in credit risk	0.26	0.26
(B)*	3.80	5.05
C. Other		
Prepaid Expenses	0.44	0.37
TA Advances	0.02	0.05
Advance for expenses	2.21	8.23
GST Input	7.41	4.58
VAT Receivable - Input/Service Tax Credit	0.23	0.24
Other	0.20	0.23
Deposits	-	0.01
(D)	10.51	13.71
D. Deffered Employee cost due to Fair Valuation	0.17	0.27
E. Deffered Fair Valuation Loss- Deposit Receivable	0.01	0.05
Total (A+B+C+D+E)	14.50	25.76

*Refer foot note to note no. 11 for advances and claims recoverables amounting to ₹4.09 Crore of the Holding Company (not provided for).

15 Inventories

A. Stock in trade including with handling agents/local agent	-	0.01
B. Stores and spares	0.06	0.12
C. Packing Materials	0.05	0.05
D. Stationery	0.05	0.06
E. Others	-	0.01
Total	0.16	0.25

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(₹ Crore)

16 Cash & Cash Equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Cash in hand*	-	-
Balances with Banks	-	-
- Cash Credit account - Debit Balance	0.22	0.07
- Current Accounts	13.67	20.76
- Current Account in Foreign currency - EEFC	0.01	0.01
Sub-total (A)	13.90	20.84
Other Bank Balances		
- Term Deposits with maturity upto 3 months	110.22	78.36
Sub-total (B)	110.22	78.36
Total	124.12	99.20

* Cash in hand as on 31.03.2019 is ₹19,343/- (₹24,482)

17 Bank Balances

Current		
a. Balances with Banks		
- Unpaid Dividend Balance Account	0.05	0.08
- As Margin money/under lien	1.23	2.44
- In term deposits with maturity more than 3 and upto 12 months	2.44	-
Total	3.72	2.52

18 Equity Share Capital

Authorized		
Equity shares	-	-
20,00,00,000 equity shares of ₹10/- each	200.00	200.00
Issued, subscribed and fully paid		
Equity shares		
6,00,00,000 equity shares of ₹10/- each	60.00	60.00
	60.00	60.00

Reconciliation of share Capital

Opening Equity Shares	60.00	60.00
Add: -No. of Shares, Share Capital issued/ subscribed during the period	-	-
Closing balance	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

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

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

19 Other Equity

(₹ Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
General Reserve		
Balance as per last financial statements	65.54	65.54
Closing Balance	65.54	65.54
Capital Reserve		
Balance as per last financial statements	2.50	2.50
Closing Balance	2.50	2.50
Retained Earnings		
Balance as per last financial statements	(4,656.71)	(4,040.53)
Add: Profit for the year	(881.40)	(616.20)
Prior Period Adjustment	-	0.02
Closing Balance	(5,538.11)	(4,656.71)
Revaluation Reserves		
Balance as per last financial statements	885.96	885.96
Closing Balance	885.96	885.96
Exchange Fluctuation Reserves		
Balance as per last financial statements	6.50	6.50
Closing Balance	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
Add less any transfer	-	-
Closing Balance	4.35	4.35
Total	(4,573.26)	(3,691.86)

20 Borrowings

Current		
I. Working Capital Loans		
a. From banks	-	-
- Cash Credit	1,993.05	2,542.58
- Working Capital Demand Loan	88.44	254.96
Total*	2,081.49	2,797.54

1 Notes of Holding Company

- Bank borrowings are secured against current assets of the Company on pari- passu basis.
- STC is in continuing default from November 2017 onwards, in the repayment of principal amount of Banks Loans and interest thereon ₹1925.09 Crore (as on 31.12.2018). Lender Banks have jointly filed case in DRT and one of the lender banks has also filed a case in NCLT. However, company has approached the banks for settlement and ₹900 Crore has also been paid (on 29.03.2019) to the Lead banker of Joint Lender Forum Banks.
- As stated above the company is in the process of OTS (One Time Settlement) with the Banks against the outstanding dues as on 31.12.2018 at ₹1925.09 Crore (subject to reconciliation). Hence provision for interest after December 2018 has not been made.

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

Name of Banks	Amount defaulted (principal & intt. thereon) (₹ Crore)	Period of default (no. of days)
Syndicate Bank	355.27	365
Indian Overseas Bank	243.57	365
Union Bank of India	172.30	396
Indian Bank	123.81	396
EXIM Bank	93.06	365
Bank of Baroda	34.95	284
UBI (Kumily)	1.28	396
Balance as on 31.03.2019	1,024.24	

2 Notes of Subsidiary Company

- a The total liabilities 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. No confirming was received from the banks. The 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 company has created pari passu charge on the current assets in favor of the banks and also surrendered the documents of immovable 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 ₹1.83 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.
- b Cash credit advance from the bank are secured by paripasu charges over the assets of the company.
- c 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 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 Company has furnished a EPCG bond of ₹3.77 Crore to customs authorities. The concessional customs duty availed under EPCG Scheme of ₹1.21 Crore and interest payable thereon ₹1.85 Crore total of ₹3.07 Crore shown under other liabilities.
- d **Interest Payable on Devolved LC and Packing Credit liabilities accrued and due [since 2009-10]**

(₹ Crore)		
Particulars	2019	2018
- Axis Bank	198.15	198.15
- Canara Bank	625.67	625.67
- IDBI Bank Ltd.	461.44	461.44
- State Bank of India	517.34	517.34
- UCO Bank	372.43	372.43
- Union Bank of India	525.20	525.20
- Vijaya Bank	646.53	646.53
- Yes Bank	31.54	31.54
Total	3,378.30	3,378.30

- e During the year company has not recognised any interest on the loans from the above named banks. Since the banks has filed the cases before the DRT and the company is contesting the claim. In view of the company's claim it was not prudent to recognise the Interest.

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

21 Trade Payable

(₹ Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
a) Bill Acceptances	13.08	12.34
b) Trade Payables	978.09	980.95
Total	991.17	993.29
Current		
a) Trade Payables	185.95	216.45
Total	185.95	216.45

* Trade payable includes ₹1071.14 Crore of the Holding Company to be paid on realization from the outstanding receivables due to back to back payment arrangement. (for major legal cases refer note no. 38).

22 Other Financial Liabilities

Non Current		
a. Advance from customer	1.80	1.80
b. Customers at Credit	3.21	13.38
c. Other liabilities	-	-
- Outstanding liabilities for goods & services received	8.32	3.58
- Deposits	8.73	8.24
- Security Deposits	1.74	2.40
Less: Security Deposit Payable Adjustment	(0.15)	(1.21)
- Earnest money deposits	1.75	1.75
d. Employees' dues	-	-
- Encashment of earned leaves	11.43	11.58
- Other expense	-	-
- Undisbursed Salary	-	0.01
Total	36.83	41.53
Current		
a. Advance from customers	0.01	0.23
b. Customers at Credit	72.24	57.79
c. Unclaimed dividend	0.05	0.08
d. Interest accrued and due on borrowings	3,406.90	3,384.32
e. Current Maturities of Long Term Borrowings	99.40	151.28
f. Other liabilities		
- Outstanding liabilities for goods & services received	129.90	107.85
- ASIDE Grant Repayable	0.99	0.94
- Deposits	1.38	0.79
- Security Deposits	6.38	15.85
- Statutory Dues	3.07	2.89
- Security Deposits (Fair Value Adjustment)	-	(0.06)
- Earnest money deposits	35.09	65.85

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(₹ Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
i. Employees' dues		
- Pay & Allowances	0.08	0.11
- Other expense	0.39	0.32
- Dues to employees on accrual basis	2.60	0.17
- Encashment of earned leaves	2.42	2.27
- STC's Officers' Association	0.01	-
- Salary Saving scheme	0.01	0.01
- Thrift Society	0.01	0.02
- Undisbursed Salary	0.04	0.03
- Others	0.01	0.02
Total	3,760.98	3,790.76

23 Provisions

Non Current		
Provisions for Employee Benefits		
Encashment of Half pay leave	8.35	9.97
Post Retirement medical benefits	101.05	95.69
Total	109.40	105.66
Current		
A. Provisions for Employee Benefits		
Encashment of Half pay leave	2.34	2.97
Post Retirement medical benefits	8.45	7.35
Gratuity	0.14	8.96
Performance Related Pay	0.01	0.01
Others	0.11	1.28
Sub Total (A)	11.05	20.57
B. Other Provisions		
Contingencies	12.82	11.27
Sub Total (B)	12.82	11.27
Total(A+B)	23.87	31.84

24 Other Liabilities (Non-Financial)

Non Current		
a. Advance from customers	0.46	0.46
b. Customers at Credit*	6.03	6.03
- Deffered Fair Valuation gain-Deposit Payable	0.15	1.18
- Earnest money deposits	0.72	0.72
c. Grant received from VITC under ASIDE Scheme	1.20	1.20
Less-Amortization towards depreciation	1.07	1.04
Sub Total	0.13	0.16
d. Grant in aid received under ASIDE scheme	6.29	6.29
Less- Amortization towards depreciation PPE	1.78	1.66
Less- Amortization towards depreciation	3.53	3.50
Sub Total	0.98	1.13
Total	8.47	9.68

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(₹ Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
a. Advance from customers**	108.58	70.47
b. Customers at Credit	-	0.25
c. Other liabilities		
- Outstanding liabilities for goods & services received	0.48	0.47
- Liability for CSR	0.01	0.02
- Security Deposits (Deferred fair value gain)	-	0.09
d. Remittances		
- Professional Tax	0.01	0.01
- Sales Tax/ Value added Tax	0.02	0.03
- Income Tax deducted at source	1.10	0.88
- Goods & Service Tax (GST)	9.99	13.56
- Contribution to Provident Fund	2.25	1.68
- Contribution to Employees Pension Scheme - 95	0.05	0.07
- Contribution to Employees Pension Fund	0.31	0.36
Total	122.82	87.89

* Amount payable to U.P. Government is adjustable against claims of interest and carrying charges amounting ₹39.11 Crore which is under dispute and the company is in the process of initiating proceedings under AMRCD. the same has been written off from the books of account and shown as contingent assets.

** Includes advances of ₹59.28 Crore from Andhra Pradesh Police, Forest Department and State Disaster Response for supply of weaponry and equipments and ₹41.28 Crore for General Imports.

25 Revenue From Operations

(₹ Crore)

(a) Sales		
Export	10.50	265.54
Imported Goods	8,437.49	10,216.50
Domestic	445.24	343.00
Sub total(A)	8,893.23	10,825.04
(b) Other operating revenue		
Exchange fluctuations- gains	-	0.54
Claims:	-	-
From Govt. of India	-	19.61
From Others	0.02	0.11
Others	10.19	20.41
Sub total(B)	10.21	40.67
Total	8,903.44	10,865.71

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

26 Other Income

(₹ Crore)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
(a) Interest income		
Advance to Employees	0.39	0.56
Deposits pledged / under Lien as margin money	0.22	0.27
Other Deposits	11.10	1.07
Interest on Investments	6.14	-
Income Tax Refunds	-	5.16
Interest on Trade Finance/Associates	-	-
Other than PCFC / EPC	46.30	260.90
Other Miscellaneous interest	0.07	0.92
Sub Total (A)	64.22	268.88
(b) Miscellaneous income		
Security Deposits forfeited	0.08	-
Rent received from Employees	0.21	0.12
Amortization of Grant	0.20	0.24
Sub Total (B)	0.48	0.36
(c) Rental income		
Rent Received from let-out property	42.49	35.64
Recoveries for common services from tenants	6.11	5.64
Sub Total	48.60	41.28
Less: Expenses related to let out property	-	-
Property tax/Municipal tax	5.94	8.91
Ground Rent	0.28	-
Insurance Premium	0.08	0.07
Maintenance Charges	0.89	0.57
Administrative Expenses	-	0.57
Sub Total	7.19	10.12
Net rental income (c)	41.41	31.16
(d) Other Receipts		
Difference in exchange other than commodity items	0.22	0.02
Misc. non Trade receipts	1.91	2.15
Amortisation income of Deferred employee advances	0.33	0.10
Amortisation income of Deferred Security deposit	1.28	0.82
Sub Total (D)	3.74	3.09
Total	109.85	303.49

27 Cost of Materials consumed

Opening balance of material	0.05	0.05
Add: Purchases made during the Year	-	0.01
Less: Closing balance of material	0.05	0.05
Total	-	0.01

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

28 Purchase of Stock-in-Trade

(₹ Crore)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Export Purchase	10.24	250.40
Import Purchase	7,641.68	9,235.03
Domestic Purchase	439.89	339.15
Freight - Road	-	-
- Marine	0.04	9.98
Freight Reimbursement	-	2.75
Exchange fluctuation -loss	1.48	-
Insurance - General	0.09	0.16
- Marine	0.19	0.09
Customs Duty	689.47	865.87
Clearing, Handling, Survey fee, port & Other Charges	103.51	92.53
Sales Tax / Sur Charge on Sales Tax/VAT	0.21	0.09
Other Expenses	0.01	1.41
Octroi / Purchase Tax Reimbursement	-	0.04
Total	8,886.81	10,797.50

29 Changes in Inventory

A. Stock-In-Trade		
At the beginning of Year	0.02	39.46
Less: At the end of Year	-	0.02
(A)	0.02	39.44
Changes in Inventory	0.02	39.44

30 Employees' Benefit Expenses

(a) Remuneration to Staff & Managers		
Salaries and Allowances	52.76	63.43
Encashment of Earned Leave	3.17	3.82
Encashment of Half Pay Leave	(0.52)	(0.45)
Provident fund	5.57	4.98
Employees pension scheme 95 (EPS 95)	0.64	0.77
Bonus	-	-
Welfare Expenses	-	-
- Medical Expenses on regular employees (OPD)	0.74	1.58
- Medical Expenses on regular employees (IPD)	1.83	2.62
- Medical Expenses on retired employees (OPD)	2.65	3.05
- Medical Expenses on retired employees (IPD)	1.22	6.05
- Medical Expenses on Actuarial liability	4.67	(0.75)
- Long Service Award including at the time of Retirement	-	0.01
- Others	0.58	0.79
Gratuity	2.33	14.83
Pension	3.52	4.21
Amortisation expenses of Deferred employee cost	0.33	0.31
Voluntary retirement benefit	20.36	0.03
Sub Total	99.87	105.28

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(₹ Crore)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
(b) Remuneration to Directors		
Salaries and Allowances	1.14	1.50
Encashment of Earned Leave	0.08	0.10
Encashment of Half Pay Leave	0.05	0.04
Provident fund	0.08	0.10
Employees pension scheme 95 (EPS 95)	-	0.00
Welfare Expenses	-	-
- Medical Expenses on regular employees (OPD)	0.01	0.01
- Medical Expenses on regular employees (IPD)	-	-
- Medical Expenses on retired employees (OPD)	0.05	0.05
- Medical Expenses on retired employees (IPD)	-	0.19
- Medical Expenses on Actuarial liability	0.02	0.00
- Others	-	-
Gratuity	0.02	0.26
Pension	0.06	0.06
Sub Total	1.51	2.31
Total	101.38	107.59

31 Finance Cost

Bank Loan	-	-
- Working capital Demand Loan(WCDL)	43.91	698.85
- Cash Credit	110.88	134.03
- BAS/External Commercial borrowing	0.70	0.67
Business associates	-	-
- Other Deposits	0.01	0.25
TDS/TCS	0.00	0.00
VAT	0.03	0.00
Loan Processing charges	-	(0.26)
Credit Rating Expenses	0.00	0.08
Others	0.06	0.43
Total	155.59	834.04

32 Depreciation And Amortization Expenses

Depreciation on Property Plant & Equipment (PPE)		
Freehold Building	5.47	5.48
Plant & Machinery	0.80	0.80
Furniture & Fixtures	0.15	0.16
Motor Vehicle	0.12	0.12
Office Equipment	0.08	0.11
Computers, data processing units & communication equipment	0.19	0.25
Electrical Installations & Equipment	0.40	0.37
Leasehold Land	0.20	0.20
Leasehold Building	2.75	3.37
Roads, culverts & sewerage etc (Leasehold)	0.02	0.02
Plant & Machinery (Leasehold)	0.34	0.34
Others	0.01	0.63
Sub Total	10.53	11.85

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(₹ Crore)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Depreciation on investment property		
Freehold Building	0.09	0.09
Leasehold Land	0.62	0.63
Leasehold Building	4.14	4.10
Sub Total	4.85	4.82
Amortisation on intangible Assets		
Computer software	0.08	0.03
Sub Total	0.08	0.03
Impairment		
Impairment on IP (Freehold building)	-	0.02
Sub Total	-	0.02
Total	15.46	16.72

33 Other Expenses

(a) Other Operating Expenses		
L/C Negotiation & Bank Charges	0.42	0.85
Godown, Plot, Tank Rent	1.03	1.42
Delivery charges	0.23	0.36
Cost of Tender	0.01	0.04
Others	0.02	0.04
Sub total	1.71	2.71
(b) Administration expenses		
Office Rent	1.85	2.33
Rates and Taxes	-	-
- Property Tax to Municipal Corporation	5.14	2.40
- Others	0.01	0.03
Electricity and Water Charges	2.73	2.55
Printing and Stationery	0.13	0.29
Postage, Telegram, Teleprinter & Telex	0.13	0.11
Telephones	0.57	0.74
Books and Periodicals	-	0.01
Repairs	-	-
- Building	-	-
- Others	0.23	0.26
Travelling Expenses	0.65	0.90
Housing Colony Expenses	2.54	2.36
Service Vehicle Expenses	0.28	0.30
Insurance Premium	0.22	0.22
Auditors' Remuneration	-	-
- Statutory Audit Fees	0.15	0.15
- Tax Audit Fees	0.07	0.07
- Certification fees	0.03	0.03
- Other charges - TA/DA etc.	-	-

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(₹ Crore)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
HRD Expenses	-	0.04
Information Technology Expenses	0.17	0.17
Conveyance Expenses	0.03	0.03
Maintenance of Office Building	0.25	0.33
Misc. Office expenses	4.00	4.38
Goods & Service Tax (GST) not to be set off	0.18	0.10
Sub total	19.36	17.80
(c) Trade Expenses		
Legal & Professional Expenses	14.89	4.53
Legal & Professional Expenses (Prior Year)	-	-
Advertisement & Publicity	0.28	0.15
Exchange Fluctuations other than commodity items	0.88	0.07
Bank Charges	-	1.19
Entertainment expenses	0.13	0.17
Hospitality and Public Relations	-	0.01
Other Trade Expenses	0.07	0.16
Sub total	16.25	6.28
(d) Amortization Expenses		
Amortisation expenses of Deferred employee advances	-	-
Amortisation expenses of Deferred Security deposit	1.28	0.82
Sub total	1.28	0.82
Total	38.60	27.61

34 Exceptional items

(a) Expenses		
Loss on sale of Property, Plant & Equipment (PPE)	0.03	0.01
Litigation settlement*	86.47	-
Interest on Custom Duty	0.18	0.18
Interest on Grant received under ASIDE Scheme	0.05	0.05
Total (a)	86.73	0.24
(b) Write Offs		
Trade Receivables	626.18	-
Deposits	-	0.16
Assets	0.03	0.11
Total (b)	626.21	0.27
(c) Provision for Doubtful debts, Loans and advances & Investment		
Trade Receivables	4.08	6.41
Claims	0.12	8.77
Loans and Advances	0.06	-
Deposits	1.03	-
Total (c)	5.29	15.18

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(₹ Crore)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
(d) Income		
Profit on Sale of PPE	0.10	0.08
Liabilities Created in previous years written back	-	-
- Others	0.25	3.03
Provision Written back for doubtful amounts realized	-	-
- Trade Receivables	0.21	42.33
- Claims	1.30	-
- Loans and Advances	-	0.25
Provision Written back for doubtful amounts written off	-	-
- Claims	0.03	0.06
Prior Year Items	(0.01)	-
Write back of unclaimed credit balances	1.86	0.38
Total (d)	3.74	46.13
Total (a+b+c-d)	714.49	(30.44)
Notes of Holding company		
* STC has lost the case and according to award of order, amount payable to M/s Helm Dungemittel GMBH, Germany has been provided for as exceptional item i.e. ₹75.11 Crore and interest ₹11.37 Crore.		
** STC has won the case and in accordance with the verdict of the Hon'ble Supreme Court the Company recovered ₹1400/- Crore against balance recoverable of ₹2026.18 Crore from Global Steel Philippines Inc./Global Steel Holding Ltd.(GSPI/GSHL). The remaining balance of ₹626.18 Crore has been written off as exceptional items.		

35 Tax Expense

Tax recognised in Statement of profit and loss		
Current income tax		
Current year	-	3.43
Adjustments for prior years	(16.04)	(8.70)
Sub Total (A)	(16.04)	(5.27)
Tax recognised in other comprehensive income		
Defined benefit plan actuarial gains (losses)	-	1.67
Total	-	1.67
Reconciliation of effective tax rates		
Profit before tax	(899.06)	(623.27)
Tax using the company's domestic tax rate @ 34.608% & 25.75% in case of STCL	-	(157.99)
Prior period income adjustments	-	-
Tax Effect of	-	-
Permanent Differences	-	(2.94)
Unrecognised deferred tax assets/(Liabilities)	-	164.36
Tax Expenses for the year	-	3.43
Since the tax expense for the year is ₹NIL hence no provision for Tax on other comprehensive income is considered necessary.		

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

B. Tax Losses Carried forward

(₹ Crore)

Particulars	As at March 31, 2019	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
Business Loss carried forward for F.Y. 2014-15	84.28	5 Years
Business Loss carried forward for F.Y. 2015-16	109.89	6 Years
Business Loss carried forward for F.Y. 2016-17	112.72	7 Years
Business Loss carried forward for F.Y. 2017-18	98.04	8 Years
Unabsorbed Depreciation	27.61	No Limit
Total	457.42	

- 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.

36 Provisions, Contingent Liabilities and Contingent Assets - Ind AS-37

(i) Contingent Liabilities (excluding interest in certain cases)

(₹ Crore)

Particulars	31.03.2019	31.03.2018
a. Claims against the company not acknowledged as debt		
(i) Court & Arbitration cases with parties *	1,721.07	1,461.05
(ii) Sales Tax	441.81	767.15
(iii) Service Tax	53.50	54.96
(iv) Income tax	9.01	4.72
(v) Custom duty	5.85	4.16
(vi) Goods & Service Tax	-	-
(vii) Others**	1,146.59	237.44
Sub Total	3,377.83	2,529.48
c. Guarantees excluding Financial Guarantee	0.10	0.10
Total	3,377.93	2,529.58

Notes of Holding Company

* M/s J.K. International (a foreign supplier) raised a claim of ₹72.82 Crore including interest due to abrogation of contract by STC for import of pulses during 2008-09. The claim was disputed by STC on the ground that contract for import of Pulses was on the direction of Ministry of Consumer Affairs and the said Ministry directed STC to abrogate any balance quantity under the said contract. However, the supplier had approached for Arbitration and Award of Arbitral Tribunal was in favour of the said supplier. The company has filed an appeal against the Tribunal award before the single bench of the Hon'ble Delhi High Court. The judgement was in favour of M/s J K International against which STC has filed an appeal before the Double bench of the Hon'ble Delhi High Court. The matter is still pending hence, the same has been disclosed as contingent liability.

* STC appropriated an amount of ₹27.89 Crore recoverable from M/s Lichen Metals Pvt. Ltd. (the party) against the deposits of its holding company viz. M/s Edelweiss Pvt. Ltd. due to this, the holding co. of party had gone for arbitration and award was in their favour for the refund of ₹27.89 Crore plus interest @8% p.a. by STC excluding cost of arbitration. Against the same STC is in the process of filing an appeal before the Hon'ble High Court. Hence, the same has been shown as contingent liability.

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

* M/s Tanzania Commodities Pvt. Ltd. raised a claim of ₹24.46 Crore towards short supply of sugar through the associate M/s Mehak Overseas. The case is pending before the Bombay High Court. Refer note no. 38 (3) for details of M/s Mehak Overseas.

* M/s Mediterranean Shipping raised a claim of ₹7.29 Crore towards non payment of Demurrage and storage charges by M/s Mehak Overseas in two separate cases. The cases are pending before the Bombay High Court. Refer note no. 38 (3) for details of M/s Mehak Overseas.

** Includes a demand of ₹132.83 Crore raised by L & DO vide its letter No. L&DO/LS2A/9225/133 dated 26th March 2018 from 2004-05 onwards for noncompliance of various conditions of the Lease Deed (including non-deposits of 25% of the gross rent received by STC from its tenants). However, STC has disputed the demand and the matter is still is pending.

- (ii) STC had provided acceptance for discounting of export bills (export made by STC) by M/s Rajat Pharma (the party). The party discounted an amount of ₹476.47 Crore from its bankers but defaulted in making the payment. Hence, the bankers moved to DRT against the party making STC also a party to the case. The case is pending before DRT as well as under investigation by CBI. Refer note no. 38 (4).

Notes of Subsidiary Company

- a ₹12.68 Crore [excluding interest] is due from M/s. Devi Mineral Resources [I] Pvt. Ltd., is a group company of Devi Trading and STCL has initiated various legal steps for recovery of dues. In order to counter the legitimate claim of STCL, Devi Trading has raised the counter claim of USD 28,80,000/- against STCL with ulterior motive which is false and baseless. However the company has disclosed sum of USD 28,80,000/- as contingent liability. However the Arbitration proceedings initiated by the DTCL, has been dismissed for non prosecution and non filing of claims.
- b STCL was defrauded by M/s. Future Exim (India) Pvt. Ltd. & M/s.Future Metals Pvt. Ltd., in the third country merchanting trade and STCL had initiated legal steps for recovery of dues as one of the legal recourses. STCL 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 STCL against M/s.FEIPL & M/s. FMPL even though all the legal steps have initiated to counter the claim. However the company has disclosed sum of USD 16,80,00,000/- as contingent liability.
- c The 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 company has disclosed the liability of ₹94.23 Crore under contingent liability.
- d The 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 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 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 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.
- e 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 company had filed an application u/s 220(2)(a) on 22.06.2016, requesting to drop the interest amount claimed. However the company has disclosed the liability of ₹2.12 Crore under Contingent Liability.
- f Subsequent to filing of arbitration petition by M/s Shiva shanker Minerals Pvt. Ltd. against STCL and on completion of arbitration process and being awarded ₹3.37 Crore including legal fees of ₹0.27 Crore along with interest at the rate of 12% till the realisation. STCL has filed an appeal against the arbitration award which is pending before the City Civil Court, Bangalore. However the company has disclosed the total liability of ₹6.06 Crore along with interest of ₹2.70 Crore till date.

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

- g The Enforcement Directorate has levied penalty of Rs 10 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 Company has filed appeal to the appellate authority and expecting full relief from them.
- h The company has not provided during the year interest payable/due on the dues to various banks due to DRT pending matters and in support of company's claims. The same has been considered as contingent liability to the tune of ₹766.22 Crore
- i The APMC, Bangalore has filed a suit in May 2011 against the 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 company to Food Corporation of India, Bangalore while obtaining release/delivery order for 80,000 Mts of Maize through Tender Process. Accordingly the 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.

(iii) Provisions (₹ Crore)

Particulars	Opening balance as on 01.04.18	Additions/ Transfers during the year	Utilization during the year	Adjustment during the year	Written-back during the year	Closing balance as on 31.03.19
Contingencies	11.16	1.55	-	-	-	12.71
Total	11.16	1.55	-	-	-	12.71

(iv) Contingent Assets (₹ Crore)

Particulars	31.03.2019	31.03.2018
Trade Receivable / Advances / other claims written off against which Court case is pending	331.33	336.68
Interest on delayed payment against Trade Receivables / advances / other claims	2,033.91	1,721.70
Others	94.57	302.43
Total*	2,459.81	2,360.81

Notes of Holding Company

* Contingent Asset consists of claims (principal and interest) against those parties where either a provision has been made or has been written off. All these cases are pending at various levels of court.

- (v) Maintaining of office at residence for senior officials was allowed by the Company in accordance with the approval by the Board during year 2005. The said facility was continued even after introducing cafeteria based perquisites (as per DPE guidelines) w.e.f 01.01.2007. Ministry of Commerce vide its letter dated 21.01.2016 directed STC to discontinue the existing facility and accordingly the same was discontinued by STC w.e.f 01.02.2016. Further, STC referred the matter to DPE & DOC for waiver of said excess payment of perquisites and allowances. However, DPE conveyed their inability to allow waiver from any recovery. Hence demand notices were served to the concerned serving/retired officials. According to the Legal opinion forwarded by Department of Legal Affairs affecting recoveries from concerned officials for benefits which were wrongly extended would be unfair. Ministry of Commerce had also asked for certain clarifications which have been replied by STC on 28.03.2019 and the matter is seized with DOC for consideration.

37 Commitments (₹ Crore)

Particulars	31.03.2019	31.03.2018
(i) Capital Commitments		
PPE	7.21	2.34
Intangible Assets	0.29	0.29
Total	7.50	2.63
(ii) Other Long term Commitments		
Against Lease hold properties where STC is Lessee, refer note no. 49	-	0.92
Total	-	0.92

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

Notes of Holding Company

38 Major Legal Cases against Trade Receivables

a. Non Current Trade Receivables

- 1 STC has supplied HR Coils to M/s Conros Steel during 2009-10. Party has defaulted in making payment against one of the LC amounting to ₹12.05 Crore (LC Value ₹10.05 Crore and Interest & other expenses ₹2.00 Crore). STC has filed civil applications and criminal complaint under various sections of Indian Penal Code.

The material sold to M/s Conros Steel was pledged to STC and kept under the custody of CWC. However, another PSU viz. M/s Metal and Scrap Trading Corporation (MSTC) had made a claim in respect of ownership of 1954 MT stock (out of total quantity of 2998 MTs valuing ₹9.97 Crore) for value of ₹6.50 Crore approx. of the stock pledged to STC against which STC has filed declaratory suit in the lower court, Panvel, Navi Mumbai. The court had appointed an auctioneer to conduct the sale of pledged stock and deposit the sale proceeds with the court. The matter is still pending.

Further, the Lender institutions have initiated proceeding under NCLT against the party, STC has filed its claim of ₹28.70 Crore (incl. interest on ₹12.05 Crore shown as contingent assets) before NCLT dated 21.08.2018.

In view of the above, provision for ₹9.83 Crore has not been considered necessary.

- 2 STC has exported Gold jewellery to various parties of UAE against which USD 1,61,705,695 equivalent to ₹787.65 Crore is outstanding for recovery. Due to economic meltdown during F.Y. 2008-09, the buyer has defaulted in payments. However, STC has discounted 90% of the bills from EXIM Bank and paid 83.5 % to respective Indian Suppliers.

Accordingly, STC has initiated criminal and civil proceedings against local suppliers which are still pending. However, against most of the Indian suppliers, winding up orders have already been passed.

Accordingly, provision for amounting to ₹445.46 Crore has been made and balance of ₹342.19 Crore has not been provided as the same is payable to various local suppliers.

- 3 Other trade receivables include ₹41.92 Crore on account of export of various agri commodities to various foreign buyers during 2006-07 to 2009-10 out of purchase made from the Local supplier M/s Mehak Overseas under various agreement against which corresponding credit balance of ₹41.92 Crore is under trade payable. Since the party has failed to refund STC has initiated various legal steps against the party. The matter is also under investigation by CBI.

Considering the corresponding credit under trade payable of ₹41.92 Crore, no provision is considered necessary.

Further, a financial assistance of ₹75.33 Crore given by STC to M/s Mehak Overseas Ltd. (MOPL) for the purchase of Agri Commodities has already been written off during 2013-14.

- 4 Trade receivables include ₹568.44 Crore on account of export of pharma products to foreign buyers purchase from M/s Rajat Pharmaceuticals Ltd". (RPL). RPL drew bills of exchange on STC which were also accepted upon receipt of overseas buyers pre-acceptance to STC'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 Rs 62.47 Crore has been passed by Hon'ble Mumbai High Court in favour of STC against the dues from one of the foreign buyer i.e Sweetland Trading Pte Ltd. As of current date, RPL has gone into liquidation and official liquidator is appointed by Hon'ble High Court Mumbai. The matter is also under investigation by CBI. No provision is required against the same. Banks & Financial institution have filed legal suit against RPL before DRT making STC also a party to the case claiming ₹476.47 Crore.

- 5 Non-Current trade receivables includes ₹3.22 Crore from M/s Renaissance Pvt. Ltd. towards import of pet bottle material which are pledged with STC. This outstanding is against non-lifting of scrap imported in respect of last LC. STC went into arbitration which was awarded in favour of STC. However, a provision of ₹1.76 Crore to the extent of dues not covered by pledged stock, has already been made.

- 6 Other than the above, non current trade receivables includes an amount of ₹45.06 Crore due from various parties against which no provision has been made. as recovery is probable.

Notes of Holding Company

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

b. Current Trade Receivables

- 1 STC has exported 19,980 MTs Rice for amounting to USD 60,93,900 (equivalent to ₹40.65 Crore) during 2016-17 to General Authority for Supply Commodities (GASC), a Government entity of Egypt on the basis of instruction of MEA. GASC, Egypt has deducted arbitrarily USD 6,03,357.75 (equivalent to ₹4.15 Crore as on 31st March, 2019) from the total value of commercial invoice on account of fumigation and other charges and balance amount was paid.

However, STC has disputed the above said deduction and the matter has also been taken up at various forums i.e. MEA & concerned Embassies. Hence, no provision for ₹4.15 Crore has been made.

Further, the said export of Rice was from the procurement made from Food Corporation of India (FCI) and as per para 14 of the Agreement with FCI, the payment is to be made on receipts of the sale proceed from the Egyptian Buyer. Accordingly, STC has also not paid to the same extent to FCI.

- 2 STC has exported steel plates to Iranian Gas Engineering & Development Co. (IGEDC, Iran) during 2014-15 to 2016-17 for amounting to ₹2873.24 Crore under a contract which expired in January 2017 (i.e. before completion of supply of contracted quantity). As on balance sheet date ₹89.38 Crore is still outstanding for recovery. The amount outstanding will be paid by IGEDC, Iran upon the revalidation of the expired contract as referred in the tripartite meeting held in November 2017. The third party is M/s. Essar Steel Ltd (an Indian manufacturer who has taken advance directly from Iranian Party). In the opinion of the management, this amount is good for recovery; hence no provision has been made.
- 3 Trade receivables includes an amount of ₹10.54 Crore recoverable from M/s Dankuni Steel Ltd. against supply of met Coke during earlier years. For recovery of the dues, claim has been filed with NCLT through IRP. The company has filed legal and criminal cases against the party which are being followed up.

No provision for ₹6.96 Crore has been made as the said amount is secured by mortgage of free hold land. A provision of ₹3.58 Crore (₹3.33 Crore) has been made against the dues.

- 4 Out of the total current trade receivables includes an amount of ₹16.61 Crore due from various parties against which no provision has been considered necessary as the recovery is probable.

Notes of Holding Company

39 Major Legal Cases against Claims Recoverable, Trade Advances etc

a. Non Current Claims Recoverable, Trade Advances etc

- i. STC received a demand of ₹80.02 Crore from NDMC during 2016-17 towards property tax for the period from 1999-2000 to 2016-17 and the same has been allocated proportionately to CCIC & HHEC. Out of total demand STC has paid ₹22.12 Crore during 2016-17 against which CCIC has paid its share of ₹1.15 Crore. However, HHEC has not paid its share hence provision to the extent of share of HHEC out of payment of ₹22.12 Crore has already been made. STC is paying property tax for further period under protest.
- ii. Non Current Claim Recoverable includes Rs 3.92 Crore from M/s Lichen Metals (the party) out of total exchange gain of Rs 31.87 Crore paid by STC to M/s Lichen Metals due to cancellation of forward cover by the party against indent for domestic supply of Bullion. Subsequently, STC demanded for the refund of such amount which the party refused to refund. On refusal for refund, STC adjusted deposits of ₹27.95 Crore taken from holding company (M/s Edelweiss) of the party leaving a recoverable balance of Rs 3.92 Crore. However, holding company has approached for arbitration against adjustment of its deposit by STC against the dues of the party (i.e. subsidiary). Arbitration award was in favour of the holding company of the party. However, STC has filed an appeal against the arbitration award before the Hon'ble High Court which is still pending. Hence, no provision for the same has been made.
- iv. Claim recoverable includes ₹5.48 Crore (equiv. to USD 0.86 million) outstanding for recovery from M/s Samsung C&T corporation, Korea against debit note issued by STC during 2017-18 due to quality variation of Urea imported. The supplier has invoked the arbitration clause and STC has also filed its counter claim. The matter is still pending. In the opinion of Management, the amount is good for recovery hence provision for the same is not required.

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

Notes of Subsidiary Company

Other Financial Assets

- v. Loans and Advances includes ₹1155.25 Crore [net of security deposit/margin money] shown as Claims Receivable from 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 Credit and this resulted in devolvement of LC's on Company. The net amount due from above business associate is ₹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 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 an 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.
- vi. Vide the impugned order, ED had levied a penalty of ₹10,00,00,000/-(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 is in progress.
- vii. 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.
- viii. 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.
- ix. 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. The company has deposited the arbitration fees and The arbitration proceedings is in progress.
- x. 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.
- xi. 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 Crore as per the valuation report dtd. 20.01.2012 has come down to ₹400.28 Crore 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, 2019 (Contd.)

Immovable properties of Business Associates		
Land located at Punjab [501.66 acres] as per valuation report did. 02.12.2016.	4,00,28,00,000	
Office Building located at New Delhi [9000 sqft]	29,69,00,000	
Land located at Chennai [9 acres]	40,25,00,000	
Land located at Maharashtra [29.951 acres] as per valuation report did. 18.06.2013	25,63,21,000	
Land located at Gujarat [202.618 acres]	20,00,00,000	5,15,85,21,000
Movable properties of Business Associates		
Shares[45000] of Universal Pavers Pvt. Ltd., Tuticorin		16,98,00,000
Total		5,32,83,21,000

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 Crore.

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.

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.

Notes of Subsidiary Company

Other Liabilities (Non Financial)

- a Grant received from VITC under ASIDC Scheme amounting ₹1.20 Crore received from Visvesvaraiya Industrial Trade Centre for Export Promotion during the year 2006-07 towards Chilly Processing Centre-Byadgi. The company has amortised depreciation on assets for which grants were received, at WDV method and has reduced the same from the grants.
- b Against the Grant in Aid received amounting of ₹6.29 Crore during the year 2008-09, for Steam Strealisation plant, the company has amortised depreciation on assets for which grants were received, at WDV method and has reduced the same from the grants.

40 Physical Verification

i Fixed Assets

Physical verification of Fixed Assets has been carried out during the year. Accounting impact of difference found on physical verification has already been given.

ii Inventories

Physical verification of Inventories has been carried out during the year. Accounting impact has already been given wherever excessshortage found on physical verification.

41 Balance Confirmations & Reconciliation

Balances of certain receivables & payables (including in certain cases direct and indirect taxes) are subject to confirmation/ reconciliation.

42 Related parties Disclosure- Ind AS 24

a) List of Related parties

(i) Joint Ventures

1. N.S.S Satpura Development Company Limited

(ii) Others

1. Sealac agro ventures

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(b) Key Managerial Personnel (KMP)

Name	Designation	Remarks
Shri Rajiv Chopra	Chairman & Managing Director Chairman STCL	Additional Charge of CMD w.e.f 28.11.2016
Shri S.K Sharma	Director (Personnel) Managing Director STCL	
Shri P.K Dass	Director (Marketing)	
Shri Umesh Sharma	Director (Finance) MMTC	Additional charge of STC w.e.f 04.01.2018
Mr. Shobhit Jain	Nominee Director-STCL	
Shri S.C Pandey	Independent Director	w.e.f 27.03.2018
Shri Sunil Kumar	Independent Director	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 Madum	Independent Director	w.e.f 24.03.2017
Shri Bharatsingh Parmar	Independent Director	w.e.f 31.03.2017
Kamlesh Kumari	Company Secretary	w.e.f 04.01.2018
Shri S.K Singhal	Chief Financial Officer	w.e.f 05.03.2018
Smt. Rooma Nagrath	Chief Financial Officer & Director STCL	CFO w.e.f 21.12.2018

(i) 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

(ii) 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.

a) Transactions with the related parties are as follows

Joint Venture Companies	Joint Venture Companies	
Particulars	2018-19	2017-18
	Nil	Nil

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(₹ Crore)

Compensation to Key management personnel	2018-19	2017-18
- Short term employee benefits	1.49	1.73
- Post employment benefits	0.27	0.52
- Termination benefits	-	-
- Other long term benefits	0.15	0.20
Total Compensation to Key management personnel	1.91	2.45

(₹ Crore)

Particulars	Employees Provident Fund Trust		Employees Defined Contribution Superannuation Pension Trust		Employees Gratuity Fund Trust	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Contribution for the year	4.34	5.29	3.59	4.27	8.73	10.07
Outstanding Balance at the end of the year	2.26	1.79	0.33	0.32	(0.97)	8.93

Transactions with the related parties under the control of the same Government

(₹ Crore)

Sl. No.	Name of the Govt. Dept./ Govt. Entity	Nature of relationship with Entity	Nature of Transaction	2018-19	2017-18
1	FCI	Govt. of India Undertaking	Export	-	0.33
2	ONGC	Govt. of India Undertaking	Rent	1.56	1.17
3	Rashtriyaspat Nigam Ltd	Govt. of India Undertaking	Domestic	-	1.66
4	NMDC Ltd	Govt. of India Undertaking	Domestic	-	0.01
5	Bharat Oman Refinery Limited	Govt. of India Undertaking	Domestic	-	12.45
6	Kerala State Civil Supplies Corporation	Govt. of India Undertaking	Sales (Tender)	4.88	10.90
7	Tamil Nadu Civil Supplies Corporation	Govt. of India Undertaking	Sales (Tender)	356.76	115.60
8	West Bengal Text Book Corporation Ltd.	Govt. of India Undertaking	Sales (Tender)	3.26	1.27
9	IRCTC	Govt. of India Undertaking	Rent	0.14	-
10	SPMC	Govt. of India Undertaking	Rent	5.28	-
Total				371.89	143.39

b) Outstanding balances with related parties are as follows

(₹ Crore)

Particulars	31 st March 2019	31 st March 2018
Amount recoverable towards loans		
- From Key Managerial personnel	Nil	Nil
- From Others	Nil	Nil
Amount recoverable other than loans		
- From Joint Ventures	Nil	Nil
- From Post employment benefit plans	Nil	Nil
Amount Payable		
- To Joint Ventures	Nil	Nil

c) Individually significant transactions

(₹ Crore)

Particulars	Nature of Relationship	2018-19	2017-18
Nil			

d) 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.

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

DISCLOSURE AS PER IND AS 27 'SEPARATE FINANCIAL STATEMENTS

a) Investment in Subsidiaries

Company Name	Country of Incorporation	Proportion of Ownership	
		31 st March 2019	31 st March 2018
STCL Limited	India	100%	100%

b) Investment in Joint Venture Entities/Associates

Company Name	Country of Incorporation	Proportion of Ownership	
		31 st March 2019	31 st March 2018
NSS Satupura Development Company Limited	India	25%	25%
Richfield Aquatech Ltd.*	Investments written off in earlier years		
Blue Gold Maritech Ltd.*			
National Tannery Company Ltd.*			
Indopirin Gloves Limited.*			

*being under liquidation/defunct co's, accounts are not available, hence not consolidated

Note of Subsidiary Company

- (i) The Joint Venture company has incurred losses and its cumulative losses is ₹0.30 Crore upto March 2013 and details of subsequent period are not available, the company has written off ₹0.08 Crore towards permanent diminution in its investment value up to earlier years. The audited financial statements of the Joint Venture are not available for the subsequent periods. The Company Board approved in its 142nd Board Meeting held on 24.10.2013 for withdrawal from the Joint Venture Company.

43 Foreign Currency Exposure

(₹ Crore)

Particulars	For the year ended March 31, 2019			For the year ended March 31, 2018		
	Foreign Currency Denomination	Amount in Foreign Currency	Amount in Indian Rupees	Foreign Currency Denomination	Amount in Foreign Currency	Amount in Indian Rupees
A. Receivable						
1	USD	31.49	1,400.45	USD	31.49	14.36
2	EURO	0.21	14.09	EURO	0.21	14.47
SubTotal (A)		31.70	1,414.55		31.70	28.83
B. Payable						
1	USD	1.42	57.49	USD	0.83	53.63

44 Trade Payables

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

(₹ Crore)

Particulars	2018-19	2017-18
Principal amount due to suppliers under MSMED Act, 2006	-	-
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	-	-
Note : 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.		

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

45 Disclosures in respect of Ind AS 107 - Financial Instruments

45.1 Financial Instruments by Categories

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

(a) As on March 31, 2019

(₹ Crore)

Particulars	Amortized cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Financial Assets					
Investments in Equity Instruments (Ref Note No. 8)	0.01			0.01	0.01
Cash & Cash Equivalents (Ref Note No. 16)	124.12			124.12	124.12
Bank Balances other than cash & cash equivalents (Ref Note No. 17)	3.72			3.72	3.72
Trade Receivable (Ref Note No. 9)	1,087.75			1,087.75	1,087.75
Employee Loans (Ref Note No. 10)	9.14			9.14	9.14
Security Deposits (Ref Note No. 10)	0.21			5.38	0.21
Other Financial Assets (Ref Note No. 11)	541.80			541.80	541.80
Total	1,771.38	-	-	1,776.55	1,771.38
Financial Liabilities					
Trade Payable (Ref Note No. 21)	1,177.13	-	-	1,177.13	1,177.13
Borrowings (Ref Note No. 20 & 22)	2,081.49	-	-	2,081.49	2,081.49
Other Financial Liabilities (Ref Note No. 22)	3,799.75	-	-	3,799.75	3,799.75
Total	7,058.37	-	-	7,058.37	7,058.37

(b) As on March 31, 2018

(₹ Crore)

Particulars	Amortized cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Financial Assets					
Investments in Equity Instruments (Ref Note No. 8)	0.01	-	-	0.01	0.01
Cash & Cash Equivalents (Ref Note No. 16)	99.20	-	-	99.20	99.20
Bank Balances other than cash & cash equivalents (Ref Note No. 17)	2.53	-	-	2.53	2.53
Trade Receivable (Ref Note No. 9)	3,185.55	-	-	3,185.55	3,185.55
Employee Loans (Ref Note No. 10)	7.71	-	-	7.71	7.71
Security Deposits (Ref Note No. 10)	7.14	-	-	7.14	7.14
Other Financial Assets (Ref Note No. 11)	101.68	-	-	101.68	101.68
Total	3,403.82	-	-	3,403.82	3,403.82
Financial Liabilities					
Trade Payable (Ref Note No. 21)	1,209.74	-	-	1,209.74	1,209.74
Borrowings (Ref Note No. 20 & 22)	2,954.84	-	-	2,954.84	2,954.84
Other Financial Liabilities (Ref Note No. 22)	3,687.11	-	-	3,687.11	3,687.11
Total	7,851.69	-	-	7,851.69	7,851.69

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.

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

45.2 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

Assets and liabilities which are measured at amortized cost for which fair values are disclosed

(a) As on March 31, 2019 (₹ Crore)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Financial Assets						
Investment in unquoted Equity Instruments			0.01			
Loans to employees			6.15			
Security deposits			2.99			
Others			541.79			
Total Financial Assets			550.93			
Financial Liabilities						
Borrowings			2,081.49			
Others			3,797.81			
Total Financial Liabilities			5,879.30			

(a) As on March 31, 2018 (₹ Crore)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Financial Assets						
Investment in unquoted Equity Instruments			0.01			
Loans to employees			7.71			
Security deposits			6.98			
Others			101.07			
Total Financial Assets			115.76			
Financial Liabilities						
Borrowings			2797.54			
Others			3832.29			
Total Financial Liabilities			6629.83			

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

45.4 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
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
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/EURO. 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 31.03.2019

(₹ Crore)

Particulars	US Dollars (in Equiv. INR)	Euro (in Equiv. INR)	Other Currencies (in Equiv. INR)	Total
Cash & cash equivalents	-	-	-	-
Trade Receivable	1,396.99	14.09	-	1,411.09
Freight Demurrage/Despatch Receivable	2.10	-	-	2.10
Other Receivable	1.36	-	-	1.36
Total Receivable in Foreign Currency	1,400.45	14.09	-	1,414.55
Foreign currency Loan Payable	-	-	-	-
Interest on foreign currency loan payable	-	-	-	-
Trade Payables	16.83	-	-	16.83
Freight Demurrage/despatch payable	15.52	-	-	15.52
Provision towards Litigation settlement	40.89	-	-	40.89
Others (if any)	-	0.08	-	0.08
Total payable in Foreign currency	73.24	0.08	-	73.32
Net Assets/(Liabilities)	1,327.22	14.02	-	1,341.23

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(a) As on 31.03.2018

(₹ Crore)

Particulars	US Dollars (in Equiv. INR)	Euro (in Equiv. INR)	Other Currencies (in Equiv. INR)	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
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

Sensitivity

The sensitivity of profit or loss to changes in exchange rate arises mainly from foreign currency denominated financial instrument.

Particulars	Impact on profit after tax	
	March 31, 2019	March 31, 2018
Increase by -% (March 31, 2016- %)	13.41	13.76
Decrease by -% (March 31, 2016- %)	(13.41)	(13.76)

ii) Interest rate risk

As on 31.3.2019 there is no exposure to interest risk as the company has stopped charging any interest on the borrowings due to OTS (One time settlement) proposal with the banks, however the interest risk on borrowings as on 31.03.2018 was to the extent of ₹1769.58 Crore.

b) Credit Risk

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

(₹ Crore)

Particulars	March 31, 2019	March 31, 2018
Trade Receivables	1,087.75	3,185.54
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.

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

Credit risk exposure

An analysis of age of trade receivables and unbilled receivables at each reporting date is summarized as follows:

(₹ Crore)

Particulars	March 31, 2019		March 31, 2018	
	Gross	Impairment	Gross	Impairment
Not past due	20.26	-	1.78	-
Past due less than three months	-	-	94.49	-
Past due more than three months but not more than six months	0.03	-	68.51	-
Past due more than six months but not more than one year	3.89	-	128.17	0.34
More than one year	1,720.89	657.32	3,546.05	653.12
Total	1745.07	657.32	3,839.00	653.46

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

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 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 undiscounted 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, 2019

(₹ Crore)

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	165.89	8.92	11.29	22.98	968.04	1,177.12
Short term borrowings (cash credit)*	2,081.49	-	-	-	-	2,081.49
Long Term Borrowings	-	-	-	-	-	-
Other Financial Liabilities (specify nature)	3,693.88	78.24	11.65	1.67	14.31	3,799.75
Total	5,941.26	87.16	22.94	24.65	982.35	7,058.36

(b) As on March 31, 2018

(₹ Crore)

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	197.69	17.44	1.39	23.05	970.17	1,209.74
Short term borrowings (cash credit)*	2,797.55	-	-	-	-	2,797.55
Long Term Borrowings	-	-	-	-	-	-
Other Financial Liabilities (specify nature)	3,695.08	97.00	33.19	1.50	9.21	3,835.98
Total	6,690.32	114.44	34.58	24.55	979.38	7,843.27

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

46 Disclosure in respect of Indian Accounting Standard (Ind AS)-21 "The Effects of changes in Foreign Exchange Rates"

- (i) The amount of exchange differences (net) debited/credited to the Statement of Profit & Loss is ₹ (1.48 Crore).
- (ii) The amount of exchange gain/loss is debited/credited to corresponding related receivables and payable account.

47 Disclosure in respect of Indian Accounting Standard (Ind AS)-23 "Borrowing Costs"

The amount capitalized with Property, Plant & Equipments as borrowing cost is ₹ Nil & ₹ Nil for the year ended March 31, 2019 & March 31, 2018 respectively.

48 Disclosure in respect of Indian Accounting Standard (Ind AS)-36 "Impairment of assets"

During the year, the company assessed the impairment loss of ₹ Nil (₹0.21 Crore) on assets.

49 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.

Segment Revenues and Results

(a) **for the year ended March 31, 2019** (₹ Crore)

Sl. No.	Particulars	Export	Import	Domestic	Unallocated	Total
1	Segment Revenue					
1(a)	External Sales	13.89	8,437.75	451.81	-	8,903.44
1(b)	Inter segment revenue	-	-	-	-	-
	Segment Revenue (1(a) + 1 (b))	13.89	8,437.75	451.81	-	8,903.44
2	Segments Results	3.73	1.75	9.44	-	14.92
3 (a)	Unallocated Corporate expenses net of unallocated income	4.30	2.17	0.01	136.84	141.45
3 (b)	Interest Expense	22.39	0.77	-	132.43	155.59

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)
(₹ Crore)

Sl. No.	Particulars	Export	Import	Domestic	Unallocated	Total
3 (c)	Interest Income	(46.33)	(1.23)	(0.07)	(16.56)	(64.21)
	Total[3(a)+3(b)+3(c)]	(19.64)	1.71	(0.05)	252.71	232.83
4	Profit before tax from ordinary activities [(2)- 3(a),(b) & (c)]	23.36	0.06	9.49	(217.47)	(182.68)
5	Exceptional Items	626.19	85.15	-	3.14	714.44
6	Income taxes	-	-	-	(16.04)	(16.04)
7	Net Profit after tax (4)- (5) -(6)	(602.84)	(85.10)	9.49	(204.58)	(881.08)
8	Interest in results of JV's	-	-	-	-	-
9	Other Information	-	-	-	-	-
9 (a)	Segment Assets	1,063.54	29.83	34.24	1,680.11	2,807.72
9 (b)	Segment Liabilities	1,250.76	348.11	36.45	5,685.66	7,320.98
9 (c)	Capital Expenditure	-	-	-	1.43	1.43
9 (d)	Depreciation	-	-	-	15.46	15.14
9 (e)	Non-Cash expenses other than depreciation	626.22	1.38	-	1.56	629.17

(b) for the year ended March 31, 2018 (₹ Crore)

1	Segment Revenue					
1(a)	External Sales	279.19	10,240.04	346.48	-	10,865.71
1(b)	Inter segment revenue	-	-	-	-	-
	Segment Revenue [1(a) +1 (b)]	279.14	10,291.74	294.83	-	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	114.37	113.22
3 (b)	Interest Expense	21.19	0.40	0.27	811.52	178.68
3 (c)	Interest Income	(259.63)	(1.43)	(0.02)	(7.74)	(268.86)
	Total[3(a)+3(b)+3(c)]	(237.64)	(0.28)	0.32	918.08	23.04
4	Profit before tax from ordinary activities [(2)- 3(a),(b) & (c)]	255.87	5.10	2.69	(918.08)	3.02
5	Exceptional Items	(0.01)	4.85	(35.92)	1.30	(29.23)
6	Income taxes	-	-	-	(5.27)	(5.27)
7	Net Profit after tax [(4)- (5) -(6)]	255.88	0.25	38.61	(914.10)	37.52
8	Interest in results of JV's	-	-	-	-	-
9	Other Information	-	-	-	-	-
9 (a)	Segment Assets	3,156.88	85.25	52.69	1,151.63	4,438.20
9 (b)	Segment Liabilities	1,327.65	255.28	62.47	6,432.92	3,507.39
9 (c)	Capital Expenditure	-	-	-	1.55	1.55
9 (d)	Depreciation	-	-	-	16.71	16.02
9 (e)	Non-Cash expenses other than depreciation	-	5.32	5.63	0.78	11.73

(ii) Information about major customers

During the year there is no revenue from transactions with a single external customer amounting to 10 per cent or more of total revenues,

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

NOTE NO. 50 :

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 VDA of eligible employees and the funds of the trust are managed by LIC. An employee leaves the company before completion of 15 years only employee 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 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 pre determined 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 expenses 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.

B. Gratuity

Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary ($15/26 \times$ last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹20 lakhs on superannuation, resignation, termination, disablement or death.

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:

(₹ Crore)

Net defined benefit (asset)/liability	31.03.2019	31.03.2018
Current	10.23	12.36
Non-Current	34.47	47.64
Total PBO at the End of year	44.70	60.00

Movement in net defined benefit (asset)/liability

(₹ Crore)

S.No.	Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (asset) Liability	
		31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
A	Opening balance	60.65	51.95	51.68	53.23	8.96	(1.28)
B	Included in profit or loss	-	-	-	-	-	-
(i)	Current service cost	1.58	2.30	-	-	1.58	2.30
(ii)	Past service cost	-	12.88	-	-	-	12.88
(iii)	Interest cost (income)	4.67	3.82	-	(3.87)	4.67	(0.04)
	Total amount recognised in profit or loss (i+ii+iii)	6.25	19.01	-	(3.87)	6.25	15.14
C	Included in OCI	-	-	-	-	-	-
	Remeasurement loss (gain)	-	-	-	-	-	-
	Actuarial loss (gain) arising from	-	-	-	-	-	-
(i)	Financial assumptions	0.47	(0.88)	0.10	-	0.37	(0.88)
(ii)	Experience adjustment	(4.06)	(3.67)	-	-	(4.06)	(3.67)
(iii)	Return on plan assets excluding interest income	-	-	(3.71)	(0.34)	(3.71)	(0.34)
	Total amount recognised in other comprehensive income (i+ii+iii)	(3.60)	(4.55)	(3.61)	(0.34)	(7.41)	(4.89)

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

S.No.	Particulars	As at 31.03.2019		As at 31.03.2018	
D	Other	-	-	-	-
E	Contribution Paid to the Fund	-	8.76	(8.76)	-
F	Benefits paid	(17.95)	(5.76)	(17.95)	(5.76)
G	Closing balance (A+B+C+D+E+F)	45.35	60.65	37.54	51.68
				7.77	8.97

The Fair Value of Plan Assets at the end of the reporting period is as follows

(₹ Crore)			
(A)	Balance with Bank		
	SBI	-	-
	Yes Bank	0.04	0.04
	IDBI	0.05	0.01
	Total (A)	0.09	0.04
(B)	Group Gratuity Traditional Fund Scheme	-	-
	Bajaj Allianz	17.82	16.54
	SBI Life	18.95	26.47
	HDFC Standard Life Insurance	8.67	7.99
	Total (B)	45.44	50.99
	Grand Total (A+B)	45.53	51.03

C. Post-Retirement Medical Benefit Scheme (PRMB)

The Holding Company has Post-Retirement Medical Facility (PRMF), under which retired employee and his/her spouse are eligible for medical facilities in the empanelled hospitals. They can also avail treatment as Out-Patient subject to a ceiling fixed by the Company. Post-retirement medical benefits are recognised in the books as per the actuarial valuation.

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

(₹ Crore)		
Net defined benefit (asset)/liability	31.03.2019	31.03.2018
Current	8.46	7.35
Non-Current	101.05	95.69
Total PBO at the End of year	109.51	103.04

(₹ Crore)

S.No.	Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (asset) Liability	
		31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
A	Opening balance	103.04	102.43	-	-	103.04	102.43
B	Included in profit or loss	-	-	-	-	-	-
(i)	Current service cost	0.68	0.82	-	-	0.68	0.82
(ii)	Past service cost	-	-	-	-	-	-
(iii)	Interest cost (income)	7.94	7.54	-	-	7.94	7.54
	Total amount recognised in profit or loss	8.63	8.35	-	-	8.63	8.35
C	Included in OCI	-	-	-	-	-	-
	Remeasurement loss (gain)	-	-	-	-	-	-
	Actuarial loss (gain) arising from	-	-	-	-	-	-

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

S.No.	Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (asset) Liability	
		31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
(i)	Financial assumptions	2.09	(4.17)	-	-	2.09	(4.17)
(ii)	Experience adjustment	(0.31)	5.52	-	-	(0.31)	5.52
(iii)	Return on plan assets excluding interest income	-	-	-	-	-	-
	Total amount recognised in other comprehensive income	1.78	1.35	-	-	1.78	1.35
D	Other	-	-	-	-	-	-
E	Benefits paid	(3.93)	(9.09)	-	-	(3.93)	(9.09)
F	Closing balance (A+B+C+D+E)	109.52	103.04	-	-	109.52	103.04

D. Leave

The Company provides for 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 in a year.

Earned Leave

(₹ Crore)

Net defined benefit (asset)/liability	31.03.2019	31.03.2018
Current	2.42	2.27
Non-current	11.83	11.90
Total PBO at the End of year	14.25	14.17

Movement in net defined benefit (asset)/liability

(₹ Crore)

S.No.	Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (asset) Liability	
		31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
A	Opening balance	14.17	13.46	-	-	14.17	13.46
B	Included in profit or loss						
(i)	Current service cost	0.82	0.84	-	-	0.82	0.84
(ii)	Past service cost	-	-	-	-	-	-
(iii)	Interest cost (income)	1.09	0.99	-	-	1.09	0.99
C	Remeasurement loss (gain)						
	Actuarial loss (gain) arising from	-	-	-	-	-	-
(i)	Financial assumptions	0.21	(0.26)	-	-	0.21	(0.26)
(ii)	Experience adjustment	1.01	2.08	-	-	1.01	2.08
(iii)	Return on plan assets excluding interest income	-	-	-	-	-	-
	Total amount recognised in profit or loss (B+C)	3.13	3.65	-	-	3.13	3.65
D	Other	-	-	-	-	-	-
E	Benefits paid	(3.04)	(2.93)	-	-	(3.04)	(2.93)
	Closing balance (A+B+C+D+E)	14.26	14.18	-	-	14.26	14.18

Sick Leave / (HPL)

(₹ Crore)

Net defined benefit (asset)/liability	31.03.2019	31.03.2018
Current	2.34	2.97
Non-current	7.95	9.66
Total PBO at the End of year	10.29	12.63

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

Movement in net defined benefit (asset)/liability

(₹ Crore)

Sl. No.	Particulars	Defined Benefit Obligation		Fair Value of Plan Assets		Net Defined Benefit (asset) Liability	
		31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
A	Opening balance	12.62	14.30	-	-	12.62	14.30
B	Included in profit or loss	-	-	-	-	-	-
(i)	Current service cost	0.41	0.50	-	-	0.41	0.50
(ii)	Past service cost	-	-	-	-	-	-
(iii)	Interest cost (income)	0.97	1.05	-	-	0.97	1.05
C	Remeasurement loss (gain)	-	-	-	-	-	-
	Actuarial loss (gain) arising from	-	-	-	-	-	-
(i)	Financial assumptions	0.11	(0.20)	-	-	0.11	(0.20)
(ii)	Experience adjustment	(1.96)	(1.76)	-	-	(1.96)	(1.76)
(iii)	Return on plan assets excluding interest income	-	-	-	-	-	-
	Total amount recognised in profit or loss (B+C)	(0.47)	(0.41)	-	-	(0.47)	(0.41)
D	Other	-	-	-	-	-	-
E	Benefits paid	(2)	(1)	-	-	(2)	(1)
	Closing balance (A+B+C+D+E)	10.28	12.63	-	-	10.28	12.63

E Actuarial Assumptions

The following were the principal actuarial assumptions at the reporting date by Holding Company

Sl. No.	Particulars	31.03.2019	31.03.2018
1	Discount Rate	0.00%	0.00%
2	Future Salary Increase	0.00%	0.00%
3	Medical Cost Increase	0.00%	0.00%

The following were the principal actuarial assumptions at the reporting date by Subsidiary Company

Sl. No.	Particulars	31.03.2019	31.03.2018
1	Discount Rate	7.54%	7.54%
2	Future Salary Increase	8.00%	8.00%
3	Medical Cost Increase	8.00%	8.00%

- 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

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

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

As on 31.03.2019 (₹ Crore)

Assumption	Change in Assumption	Gratuity	PRMB	Earned Leave	Half Pay Leave
		(Funded)	(Non Funded)		
Discount rate	0.50%	-	-	-	-
	(0.50%)	-	-	-	-
Salary growth rate	0.50%	-	-	-	-
	(0.50%)	-	-	-	-
Medical Cost Increase	0.50%	-	-	-	-
	(0.50%)	-	-	-	-

As on 31.03.2018 (₹ Crore)

Discount rate	0.50%	-	-	-	-
	(0.50%)	-	-	-	-
Salary growth rate	0.50%	-	-	-	-
	(0.50%)	-	-	-	-
Medical Cost Increase	0.50%	-	-	-	-
	(0.50%)	-	-	-	-

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

As on 31.03.2019 (₹ Crore)

Discount rate	0.50%	0.76	-	-0.39	-
	(0.50%)	0.83	-	0.42	-
Salary growth rate	0.50%	0.84	-	0.44	-
	(0.50%)	0.75	-	0.37	-
Medical Cost Increase	0.50%	-	-	-	-
	(0.50%)	-	-	-	-

As on 31.03.2018 (₹ Crore)

Discount rate	0.50%	0.65	-	0.30	-
	(0.50%)	0.71	-	0.33	-
Salary growth rate	0.50%	0.73	-	0.50	-
	(0.50%)	0.63	-	0.29	-
Medical Cost Increase	0.50%	-	-	-	-
	(0.50%)	-	-	-	-

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

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

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.

I Maturity Profile of Defined Benefit Obligations

(₹ Crore)

As on 31.03.2019

Year of payment	Gratuity	PRMB	Earned Leave	Half Pay Leave
	(Funded)	(Non Funded)		
Less than 1 year	10.09	8.46	2.42	2.34
Between 1-2 years	2.15	9.92	1.69	1.26
Between 2-3 years	2.38	11.01	1.50	1.31
Between 3-4 years	1.85	12.45	1.34	0.92
Between 4-5 years	2.06	14.34	1.11	0.57
Over 5 years	26.79	53.33	27.21	3.89

Maturity Profile of Defined Benefit Obligations

(₹ Crore)

As on 31.03.2018

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	1.80	1.46
Between 3-4 years	5.05	10.49	1.53	1.19
Between 4-5 years	4.84	11.96	1.32	1.40
Over 5 years	23.55	55.42	5.96	4.25

51 Disclosure in respect of Indian Accounting standard (Ind AS) 17 "Leases"

51.1 Operating lease

a) As lessee (Holding Company)

Future minimum lease payments under non-cancellable operating leases are as follows (₹ Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Payable in less than 1 year	0.33	1.56
Payable between 1 year and 5 years	1.46	1.56
Payable after more than 5 years	0.87	1.26

Payments recognised as an expense in Statement of Profit & Loss

(₹ Crore)

Lease expense- minimum lease payments	-	2.14
Contingent rent expense	-	-
Sub-lease income	3.42	3.33

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

b) As lessor (Holding Company)

Future minimum lease payments under non-cancellable operating leases are receivable as follows

(₹ Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Within less than 1 year	-	2.42
Between 1 year and 5 years	-	2.18
After more than 5 years	-	-

Payments recognised in Statement of Profit & Loss

(₹ Crore)

Income - generating property	38.89	42.50
Vacant Property	6.62	0.27
Self Occupied Property	-	0.05

51.2 Finance lease

a) As lessee

Brief Details of the Property (Holding Company)

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.

2. STC's Housing Colony

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

52 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 is as follows

(₹ Crore)

Face Value Per Equity Share (₹)	10.00	10.00
Profit (loss) for the year, attributable to the owners of the company (A)	(883.02)	(617.99)
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	6.00	6.00
Basic EPS (A/B)	(147.17)	(103.00)

b) Diluted EPS

The earnings and weighted average number of ordinary shares used in the calculation of Diluted EPS is as follows

(₹ Crore)

Profit (loss) for the year, attributable to the owners of the company (A)	(883.02)	(617.99)
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	6.00	6.00
Diluted EPS (A/B)	(147.17)	(103.00)

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

53 Dividends

(₹ Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(i) No. of Equity Shares	6.00	6.00
(ii) Dividends not recognised at the end of reporting period.	NIL	NIL

54 Assets Pledged as Security

Current/Non-current	NIL
Financial/Non-Financial Assets	
First Charge/Floating Charge	Trade Receivables of the company

Notes of Holding Company

55 Going Concern

The Company is a CPSE under administrative control of the Ministry of Commerce & Industry. The Company is primarily in the business of trade with State Trading Organizations of various countries, to undertake promotion of export and to undertake market intervention operations in commodities as specified by Government from time to time. The company has seven offices and 3 representative offices all over the country and is fully equipped with the necessary infrastructural facilities to undertake any volume of business operations. The company is participating in several business opportunities. For last few years the company is facing mismatch in inflows and outflows of funds due to huge recoverable from associates with whom the company had undertaken trade transactions and who had defaulted in making timely payment to STC. Due to this the Company have led to temporary financial crunch, operating losses, reduction of net worth. Simultaneously the company initiate legal action against the defaulting associates. One of the major associates has made sufficient payment to STC on direction of Hon'ble Supreme Court. This has eased out the financial crisis of the Company to some extent. The Company has therefore proposed OTS with the lender banks. Since the lender banks has initiated action in the NCLT / DRT. An amount of ₹900 Crore has already paid towards OTS with the banks to show the bona fide intention of STC towards OTS. The OTS is under process and the company is hopeful that the same can be done shortly.

Simultaneously the company has undertaken various cost reduction measures to improve the liquidity / profitability such as closure of unviable branches undertaking trade in those commodities fetching higher trade margins etc. In view of this it is believed that, after the OTS, sufficient liquidity would be available with the company to undertake further business operation. The Company has also requested to JLF to provide some funded/non-funded limit for conducting business on behalf of Govt. of India. It is believed that this would generate sufficient trade margin for STC in the process of revival, It is believed that STC shall be in a position to confidently sail as a going concern.

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

- Accounts have been prepared on going concern basis.
- As regards to business plan, it is to mention that STC has projected a turnover of ₹9000 Crore for the F.Y. 2019-20.
- 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
- No provision for impairment of non-current assets has been considered necessary.
- Cost cut measures:- As a cost cut measure the company has introduced Voluntary retirement scheme starting from 18.06.2018 to 17.07.2018 up to level of Chief Manager excluding professionals. The Voluntary Retirement scheme in the first phase was to cover maximum 80 employees on first come first serve basis. Total 101 applications were received out of which 06 applications were rejected, 07 applications were withdrawn. Application of 80 employees out of balance 88 applications was accepted and their dues have been settled. Further Second phase has also been introduced from 29.03.2019 till 29.04.2019 up to level of Chief Manager and 46 applications have been received.

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

- 56** Impact of foreign currency gain/loss against the disputed currency payable/receivable has been given by the company except in the case of Mumbai Branch. Further the impact of credit gain/loss has been credited/debited as the case may be directly to the respective payables/receivables account instead of giving any impact of the same to the profit & loss account.
- 57** Credit impairment against trade and other receivables has been made during the year amounting to ₹5.29 Crore.
- 58** In respect of alleged irregularities, impact is ascertainable only on the probable outcome of the ongoing case/enquiry. Therefore disclosure for the same has not been made.
- 59** A plot of land at Mallet Bunder by MBPT for a 30 year period of lease. The company has constructed storage tanks along with other required infrastructure. The lease period has already been expired during F.Y. 16-17 for which the company is in the process of renewal of lease deed. Hence no impairment has been considered necessary. However, if otherwise, at the time of handing over, cost of the dismantling the infrastructure would not be material and the sale proceeds of the scrap so realized will be higher than such cost.

60 Standards issued but not effective

Ind AS 116 'Leases':- Ministry of Corporate affairs notified on 30.03.2019 Ind AS 116 which is applicable w.e.f. 01.04.2019 & onwards. Accordingly, the company is in the process of evaluating the impact of the same on financial statements for the F.Y. 2019-20.

Notes of Subsidiary Company

- 61** 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.
- 61A** Holding company(The State Trading Corporation of India Limited) has not given any guarantee for the credit facility availed by the subsidiary company STCL.
- 62** Previous year figures have been recasted/reclassified in accordance with Ind AS requirements.

For Thakur, Vaidyanath Aiyar & Co.

Chartered Accountants
Firm Reg. No. 000038N

Sd/-
(K K Upadhyay)
Partner
M. No. 096584

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

Sd/-
(Rooma Nagrath)
GM-F & CFO

Place: New Delhi
Dated: 28.05.2019

Sd/-
(Deepak CS)
Company Secretary
FCS -5060

MANAGEMENT REPLIES TO THE OBSERVATIONS OF STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2018-19

Qualifications / Observations of the Statutory Auditors	Management Replies
Basis for Qualified Opinion	
a. Non provision in respect of the items / matters as indicated below, has resulted in the loss being shown lower by ₹111.11 Crore for the year :	The said transaction for import of pulses was undertaken by STC on behalf of ministry of consumer affairs, Govt. of India. The matter of abrogation of contracted quantities with M./s J.K. International was in line with directions received from the Ministry of Consumer affairs. As per the judgement of the Hon'ble High Court for damages payable by STC, STC has sent letter to Department of Consumer affairs, ministry of consumer affairs with a copy to ministry of commerce and industry for their intervention to take appropriate steps for compensating STC in event of payment of the claim. STC has challenged the award and is hopeful of favourable decision. In view of this no provision is required.
i. Refer foot note of Note No. 36 (i) for not providing firm liability of contingent liabilities of ₹72.82 Crore though the company lost the case at two levels i.e. from the Arbitration as well as from the single bench of High Court	
ii. Refer foot note of note no.36 (i) for not providing firm liability of a contingent liability of ₹27.89 Crore due from a company and adjusting the same against the deposit of holding company of the company from whom the doubtful debt was due though the adjustment was not upheld to be enforceable.	STC appropriated amount of ₹27.89 Crore recoverable from M/s Lichen Metals Pvt. Ltd., due to STC from the deposits of its Holding Company in respect of Bullion transactions (as the holding company had given guarantee). Though arbitral award is in favour of the Holding company, STC is in the process of filing an appeal before the Hon'ble High Court and is hopeful for favourable judgement. However as matter of prudence it has been shown as contingent liability.
iii. Refer foot note of note no. 11 for not making credit impairment on ₹10.40 Crore recoverable from various Tenants which are under disputes/litigation and considered by the company as "having significant increase in credit risk	The major portion is recoverable from BIFR (now Department of Financial services) and CCIC of ₹8.89 Crore which are being released to STC in installments based on their approvals. As regards amount due from SBI, the matter is subjudice due to subsidiary (STCL) and the management is hopeful of recovery. For the remaining balances the matter has been taken up with the concerned departments. Hence no provision is considered necessary.
b. The Company has not complied with	
i. Ind AS 40 (regarding Fair Value Measurement of Investment Property) by not performing fair valuation of investment property as on balance sheet date. (refer foot note of note no.6)	The company had carried out revaluation of immovable properties as on 31.03.2018. As there was no significant fluctuation in the open market during the FY 2018-19, the company did not carry out fair valuation of its immovable properties as on 31.03.2019. There is no materiality on this account on the balance sheet date.
ii. Ind AS 21 (regarding Effects of Changes in Foreign Exchange) by not revaluing the carrying amounts, in certain cases, of foreign currency receivables and payables which are under litigation/disputed. (refer note no. 56)	The company has complied the requirements of Ind AS 21 regarding affects of changes in foreign currency as on balance sheet date. However, in certain cases, which are under litigation and had been fully provided in earlier years are not updated, as the same had been freezed in Indian rupee value. The company has filed legal cases against domestic parties for recoveries of such outstanding balances.

iii. Ind AS 109, (regarding impairment of financial assets and recognition of expected credit loss) by not making credit impairment on undisputed trade receivable of ₹112.87 Crore. The impact of the same is not ascertainable.	The company is reviewing the impairments of financial assets on case to case basis. Necessary provisions on account of expected credit loss is being made in the books of accounts accordingly. Impairment on undisputed trade receivable amounting ₹112.87 Crore is being reviewed and necessary provisions if required will be made during the financial year 2019-20.
iv. Ind AS 28 (regarding investments in Associates and Joint Ventures) has not been complied, since the financial statements of such associates and joint ventures are not available as they are either under liquidation or defunct (refer foot note of note no. 42 for investment in Joint Venture Entities/Associates)	Factual, necessary disclosure has been made in the financial statement.
c. The impact of the following is not ascertainable	Balances of trade receivables, trade payables & liabilities are being reconciled after completion of each transaction and the accounts settled with the party. However, confirmation in respect of trade receivables and trade payables involving legal cases are not obtained as it may affect the legal proceedings.
i. refer note no.41 for non-availability of confirmation of balances of certain receivables and payables (including certain direct & indirect taxes).	
ii. refer foot note no. (b) of note no 4 for non-adjustment of value/area of lease hold land in Fixed Assets Register against areas acquired by DMRC for construction of Metro Station & by L&DO for widening of the Road during Asian Game, as well as the flats/area of land sold by the company to HHEC for its housing colony.	STC was allotted a piece of land measuring 2.599 acres vide letter no. 3/4(14)/68-LI dated 15.09.1975 of Ministry of Works & Housing, Government of India. In due course of time an area of 325.686 square meter and 388.910 square meter was acquired/ utilized by NDMC and Delhi Metro respectively. During 1975, 64 nos. of flats were also sold to HHEC. The necessary corrective action will be taken during the F.Y. 2019-20.
iii. In certain cases of Contingent Liabilities and Contingent Assets documents showing latest status/ fact of the case and basis of probability for outflow and inflow of resources are not made available	Necessary action will be initiated to further update the status/ facts and basis of probability of out flow/inflow of resources during the Financial Year 2019-20.
As a result of matters contained in paras (a) (i) to (iii) above, loss for the year is understated by ₹111.11 Crore, with consequential effect on 'Retained earnings' by the same amount, understatement of 'liabilities' by ₹100.71 Crore and overstatement of claim recoverable by ₹10.40 Crore.	The company is hopeful for recovery of receivables/ claims for which no provision was considered necessary as on balance sheet date. However, the matter will be reviewed in respect of expected credit loss during Financial Year 2019-20 and necessary action will be taken accordingly.
Emphasis of Matters	
a. Refer foot note of note no. 9 & 11 for not making credit impairment of trade receivables (₹974.78 Crore) & Claim Receivables (₹6.84 Crore) making a total of ₹981.62 Crore since the company feels that even if no amount would eventually be recovered, provision is not required as the creditor will be paid by the company only to the extent the amount is realized against such trade receivables, though in most of the cases agreements are not tripartite.	Trade receivables and claims recoverable amounting ₹974.78 Crore and ₹6.84 Crore which are under litigations and 'having significant increase in the credit risk' have not been considered as impaired on the balance sheet date. As a corresponding credit to that extent exist in the books of accounts. Further, in terms of the agreement, the creditors will only be paid to the extent the amount realized from the debtors, even if there is no tripartite agreement in all the cases.

<p>b. Refer Note No. 20 for continuing default in the repayment of Bank loans including interest thereon amounting to ₹1925.09 Crore against which lender Bank have jointly filed case in DRT. One of the lender bank has also filed a Case in NCLT. The company has approached the banks for settlement and ₹900 Crore has been paid by the company to the Lead banker of Joint Lender Forum Banks under the one time settlement process.</p>	<p>STC is in default from November 2017 onwards, in the repayments of principal amount of Bank Loans and Interest thereon for a total amount of ₹1925.09 Crore, subject to reconciliation (as on 31.12.2018). On reconciliation, the revised outstanding amount stands at ₹1906.24 Crore. Against this, lender Banks have jointly filed case in DRT and one Lender Bank has also filed a case in NCLT. STC has approached Banks for One Time Settlement (OTS) and as an interim measure, STC has already paid ₹1100.00 Crore till 26.07.2019. The cases in DRT and NCLT are going on. It is likely that the OTS scheme with Joint Lender Forum of Banks will be finalized very soon.</p>
<p>c. Refer Note No. 61 for the winding up of Subsidiary Company which has been approved by the union cabinet in its meeting dated 13.08.2013 and accordingly subsidiary has filed winding up petition dated 26.11.2013 before Hon'ble High Court of Karnataka. Further, attention is drawn to foot note 2 of Note No. 20 which states that the Subsidiary has created pari-passu charge on current assets in favour of the banks and also surrendered the documents of immovable properties. DRT has passed an order dated 29.09.2015 for recovery of ₹148.18 Crore by banks, however, the Subsidiary 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. The cases with banks are pending.</p>	<p>Factual, no further comments.</p>

<p>Annexure A'' to Independent Auditors' Report</p> <p>Basis for Qualified Opinion</p> <p>With respect to holding company, following material weaknesses have been identified as at 31st March, 2019.</p> <p>i. Company is maintaining Accounts in Tally ERP Software. However, the Tally ERP Software on which accounts are being maintained by the branches and divisions are not integrated/interfaced with the each other or with the server at Head office. Further, inventories and consumables, except for bullion, are not being maintained on the Tally ERP system, instead it is maintained manually.</p> <p>Further, company is maintaining "Performance Management System", Payroll Software and "Leave Management System" which are not interfaced with each other as well as the accounting software.</p> <p>As a result of above, Manual Accounting entries are being made on periodical basis in the Tally ERP Accounting software, and consolidation of the Financial Statements/Accounts of 10 Branches and 9 Divisions are being made manually on MS-Excel.</p>	<p>In the absence of uniform accounting format in tally and format required by Companies Act for consolidation of accounts through tally and the absence of LAN/WAN to interconnect Computers at CO and Branches, integration and consolidation of accounts in tally is not feasible. The possibility of implementation of Tally ERP on Cloud (web based solution) is being explored jointly with Finance Division.</p> <p>Accounting software for Trading commodities/ stock of inventory, consumables is currently not available in STC except Tally ERP. Provision for entry in Tally ERP or proper accounting software in consultation with concerned Division will be explored.</p> <p>Performance Management System (PMS), Leave Management System (LMS) and Payroll are having three interfaces but at the back-end are integrated with each other because of common Master database (employee profile, leaves, pay structure, etc.). It is not integrated with Tally ERP (Accounting Software) because all the reporting required by Finance Division (in the desired format) pertaining to PMS, LMS or Payroll can be generated through these online systems by their Admins.</p>
<p>ii. Lack of control over release of advance to parties 'in-comparison with the targeted performance / milestone to be provided by the parties. For Instance, in the case of installation of 5 Lifts, advance given by the company against all the 5 lifts, out of which 4 lifts are still under installation even after long delay from the scheduled date.</p>	<p>The installation of lifts was taken up in phased manner. Initially only three lifts were taken for replacement and 50% of cost of material delivered at site was released to the contractor as per terms of the tender. Out of these three, installation of two lifts were completed and handed over to STC one in March, 2019 & another in May, 2019.</p> <p>Similarly, in the second phase the remaining two lifts were taken for replacement. 50% of cost of material delivered at site was paid to the contractor during January, 2019 as per contract. Work is in progress.</p> <p>The delay in installation of lifts was due to tender finalisation in civil work.</p>
<p>iii. Lack of effective Internal control over inventory pledged with the company as in most of the cases periodic physical verification reports have not been submitted by the parties and in certain cases parties are not allowing STC to conduct the physical verification.</p>	<p>Periodic physical verification reports in respect of pledged inventory being obtained from the parties. However, in certain cases where the matter is under litigation/subjudice in the court, physical verification of the inventory could not be carried out or not allowed by the party as an exception.</p>
<p>iv. In certain cases reconciliations of receivables & payables are pending since long and impact of the same is not ascertainable.</p>	<p>Party's accounts are reconciled on case to case basis at the time of settlement. All branches and accounting units have been instructed to reconcile all outstanding receivables/payables. No outstanding balance more than 3 years should be carried forward in the books of accounts without justification.</p>

v. With respect to Mumbai branch of the Company, the branch auditor has reported for the inadequate internal audit system, weakness in the system of customer acceptance, credit evaluation and establishing customer credit limits and other related controls are not in place.	Internal Audit of the Corporation along with the branches is carried out by an external agency for all the applicable areas as stipulated in the 'Scope of Work'. However, necessary steps shall be taken for further improvement during renewal/appointment of internal auditors. In order to strengthen the internal control the company has carried out special audit in some of the cases in respect of Mumbai branch during the Financial Year 2018-19.
vi. Lack of Control over legal expenses due to non-maintenance of proper records showing case wise and advocate wise details	The branches/accounting units have already been instructed to route all expenses through the respective party's accounts. The same will further be extended for cases wise segregation.
vii. Lack of control over contingent liability and contingent assets due to non-maintenance of proper records showing fact of the case, latest status of the case due to which the probability of payment/recovery could not be verified.	Necessary action will be initiated to further update the status/facts and basis of probability of out flow/inflow of resources during the Financial Year 2019-20..
With respect to Subsidiary Company, following material weaknesses have been identified as at 31 st March, 2019.	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 year under consideration. Hence it has not resulted into material mis-statement in the books of account.
i. The 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.	
ii. The lease rent of stream sterilization unit located in Chindwara, Madhya Pradesh was terminated on 03.02.2018 w.e.f. 31.01.2015 due to non-performance. The Company has initiated legal process 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.
iii. The company has given rent advance to the tune of ₹1.93 Crore (Balance as on 31.03.2019) with STC India Limited (the Holding Company), given towards occupation of earlier premises taken from STC India Limited which has been terminated.	Fresh lease agreement is executed and the balance amount is receivable from the holding Company.
iv. The Board of Directors of the 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. Presently, a General Manager is looking after the activities of the Company and reporting to the board of Directors of the Company.	Since the company is in the process of winding up and no business activity is being carried out, the same delegation of power are being continued. At this stage no useful purpose will be served by amending the DOP. However the General Manager reports to BoD through the Managing Director.
v. The company has not provided interest during the year on Cash Credit and Packing Credit advances availed from the consortium of banks on the ground that the prevailing rate of interest is low in comparison to interest provided in earlier years and confirmation of balance from the banks has not been received by the company. Due to non-provision of interest, the loss has been understated by ₹766.22 Crore with consequential reduction in bank liabilities.	Company is contesting the claims made by the banks at various DRT forums, so the interest has not been provided in the Accounts.



गोपनीय

संख्या/ No. PCA-I/ND/CMS/29-SS/2018-19/Vol-II/292

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

सेवा में,

दिनांक / Dated 31/7/19

अध्यक्ष एवं प्रबंध निदेशक,

दि स्टेट ट्रेडिंग कॉर्पोरेशन ऑफ इंडिया लिमिटेड,

जवाहर व्यापार भवन, टॉलस्टाय मार्ग

नई दिल्ली- 110001

विषय: 31 मार्च 2019 को समाप्त वर्ष हेतु दि स्टेट ट्रेडिंग कॉर्पोरेशन ऑफ इंडिया लिमिटेड के वार्षिक लेखों 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 2019 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' अंग्रेजित करती हूँ। इन शून्य टिप्पणियों को कम्पनी की आमसभा में उसी प्रकार रखा जाए जिस प्रकार वैधानिक लेखा परीक्षकों की लेखा परीक्षा रिपोर्ट रसी जाती है।

संलग्न: शून्य टिप्पणियाँ

भवदीया,

31/7/19
(प्राची पाण्डेय)

प्रधान निदेशक

तृतीय तल, ए-स्कन्ध, इन्द्रप्रस्थ भवन, इन्द्रप्रस्थ 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

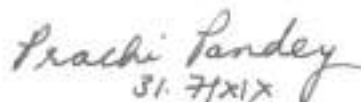
**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6) (b) READ WITH SECTION 129(4) OF THE COMPANIES
ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE
STATE TRADING CORPORATION OF INDIA LIMITED. FOR THE YEAR ENDED
31 MARCH 2019**

The preparation of consolidated financial statements of **THE STATE TRADING CORPORATION OF INDIA LIMITED**, for the year ended 31 March 2019 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 28 May 2019.

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 LIMITED**, for the year ended 31 March 2019 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 LIMITED**, and its subsidiary **STCL LIMITED** for the year ended 31 March 2019. 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


31.7.19

(Prachi Pandey)

Principal Director

Principal Director of Commercial Audit & Ex-
officio Member Audit Board-I,
New Delhi

Place: New Delhi

Dated: 31 July 2019



THE STATE TRADING CORPORATION OF INDIA LIMITED
CIN: L74899DL1956GOI002674

Regd. Office: Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-110001

RE: Green Initiative in Corporate Governance: Go Paperless

Dear Shareholders,

As you may be aware, the Ministry of Corporate Affairs, as a part of the Green Initiative in Corporate Governance, vide its Circular No. 17/2011 & 18/2011 dated 21.04.2011 and 29.04.2011, has allowed paperless compliance by Companies, which may now send various notices / documents, such as Notice of General Meetings, Annual Report, etc., to its Shareholders through electronic mode at their e-mail address registered with the Company.

Your Company welcomes the spirit of this green initiative, which will reduce paper consumption to a great extent and allow Shareholders to contribute towards a Greener Environment. This will also ensure prompt receipt of communication by Shareholders and avoid their loss / misplacement in postal transit. In this backdrop, we wish to intimate / request as under:-

Shareholders holding shares in demat form may register / update their e-mail ID with respective Depository – Participants, if not already done.

Shareholders holding share in physical mode may submit the appended E-COMMUNICATION REGISTRATION FORM, duly filled-in, at the address indicated therein. The said form is also available for download from our website, www.stclimited.co.in. Shareholders could also submit the said form by way of fax on 011-41709881 or by e-mailing a scanned copy to admin@mcsregistrars.com.

Full text of notice / documents meant for general shareholders would also be made available on our website www.stclimited.co.in, for reference / download.

We are sure that you would appreciate the "Green Initiative" taken by MCA. We solicit your patronage and support in helping the Company to implement the e-governance initiatives of the Government. Please note, as a valued shareholder, you are entitled to demand and receive, free of cost a printed copy of the Annual Report of the Company and all other documents.

Best Regards,

Thanking you,

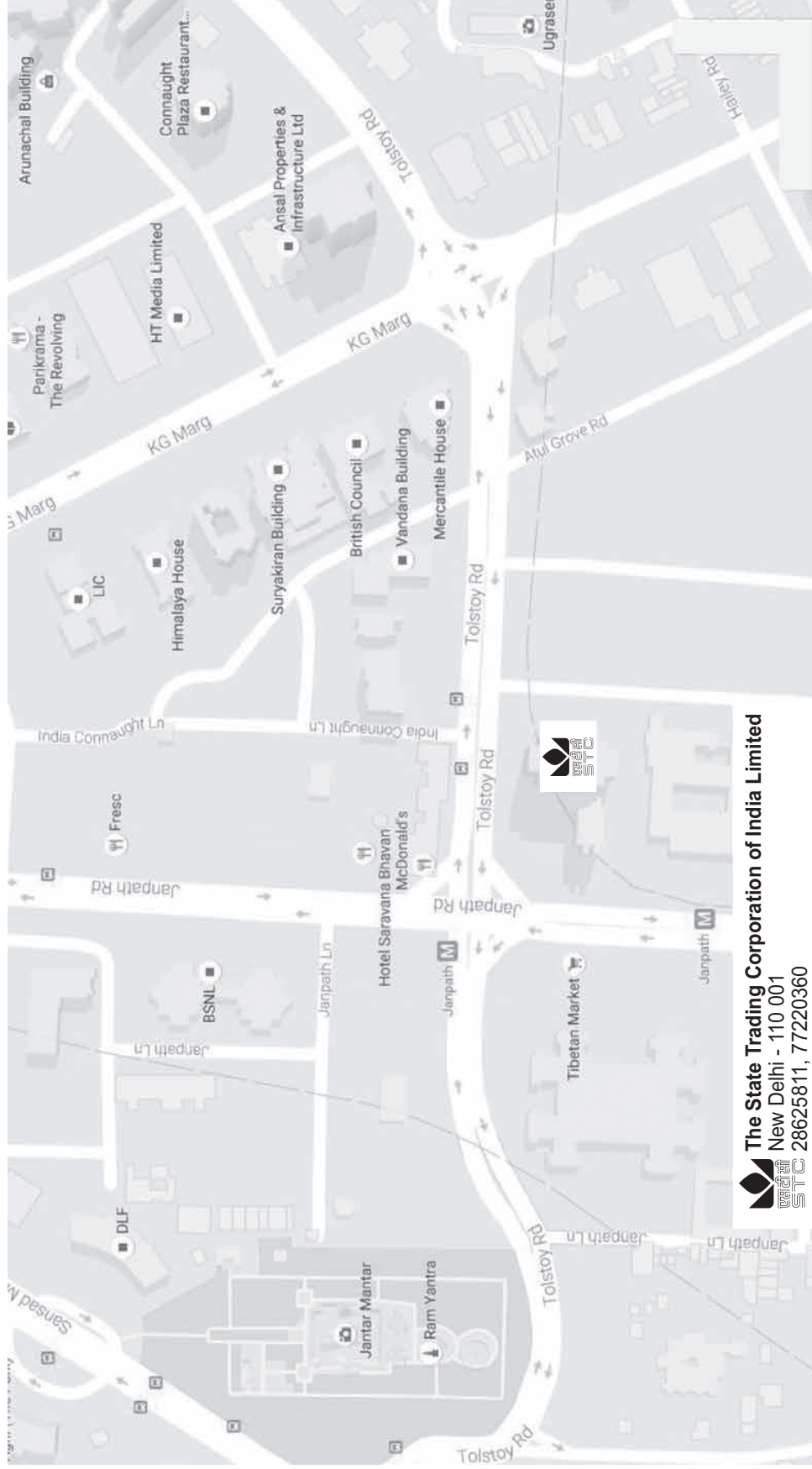
Sd/-

Deepak CS

Company Secretary

FCS – 5060

**ROUTE MAP TO THE VENUE OF THE 63rd ANNUAL GENERAL MEETING OF
THE STATE TRADING CORPORATION OF INDIA LIMITED**



 **The State Trading Corporation of India Limited**
New Delhi - 110 001
28625811, 77220360



(Please tear here)



(Please tear here)

E-COMMUNICATION REGISTRATION FORM

(Exclusively meant for Shareholders holding shares in physical form)

To,
MCS SHARE TRANSFER AGENT LIMITED
(Unit: The State Trading Corporation of India Limited)
F-65, 1st Floor,
Okhla Industrial Area, Phase-I,
New Delhi-110020

RE:- Green Initiative in Corporate Governance

Regd. Folio No.	
Name of 1 st Registered Holder	
Name of Joint Holder/s	1. 2.
E-mail ID to be registered	

I/We, Shareholders, of THE STATE TRADING CORPORATION OF INDIA LIMITED, hereby agree to receive all communications from the Company by way of an e-mail, Please register my e-mail ID in your records for sending communications through e-mail.

Date:

Signature
(First Holder)



63 Years of Excellence in Global Trading



Business Beyond Boundaries

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

(CIN:L74899DL1956GOI002674)

Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-110 001

Tel. No. : 011-23313177, Fax : 011-23701123, 23701191

E-mail : co@stclimited.co.in Website : www.stclimited.co.in



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

(CIN:L74899DL1956GOI002674)
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