

ANNUAL REPORT 2022-23



THE STATE TRADING CORPORATION OF INDIA LIMITED

(A Government of India Enterprise)



ANNUAL REPORT

2022-23

THE STATE TRADING CORPORATION OF INDIA LIMITED

REGISTERED & CORPORATE OFFICE

(CIN: L74899DL1956GOI002674)

Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-110001

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

**BOARD OF DIRECTORS
CMD AND FUNCTIONAL DIRECTORS**

Shri Hardeep Singh, ADGFT, Chairman & Managing Director w.e.f 28.04.2023

Shri Kapil Kumar Gupta, Director (Finance) –Additional Charge

Shri N.A.N. Jeyakumar, Director (Marketing) (upto 30.04.2022)

**PART-TIME OFFICIAL DIRECTORS
(GOVERNMENT NOMINEES)**

Shri Shashank Priya, Special Secretary & Financial Advisor, DoC (upto 10.01.2023)

Smt Arti Bhatnagar, Additional Secretary & Financial Advisor, DoC (from 13.03.2023)

Shri Vipul Bansal, Joint Secretary, DoC

**PART-TIME NON-OFFICIAL DIRECTORS
(INDEPENDENT DIRECTORS)**

Shri Satish Kumar Chawla

Shri Divakar Shetty Kaup

Dr. Rohini Sanjay Kachole

Dr. Bhim Singh

Shri Manjeet Kumar Razdan

Dr. Vivek Atul Bhuskute

Shri Ashok Kumar Aseri

Shri Naresh Dhanrajbhai Kella

CHIEF FINANCIAL OFFICER

Shri B.S. Rao

COMPANY SECRETARY

Shri Vipin Tripathi

REGISTRAR & SHARE TRANSFER AGENT

M/s. 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. Tiwari & Associates,

Chartered Accountants,

H.O, 2nd Floor, T-8,

Green Park Extension

New Delhi-5

BANKERS

State Bank of India

Bank of India

Indian Overseas Bank

UCO Bank

HDFC Bank

Exim Bank

IDBI Bank

Bank of Baroda

Canara Bank

Indian Bank

Union Bank of India

Indusind Bank

SECRETARIAL AUDITORS

M/s. Parveen Rastogi & Co,

Company Secretaries,

Flat No.3, Sood Building,

Teil Mill Marg,

Ram Nagar, Paharganj,

New Delhi

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TOP MANAGEMENT

**Hardeep
Singh**

**Chairman & Managing Director
w.e.f. 28.04.2023**

**Kapil
Kumar
Gupta**

**Director (Finance)
Additional Charge**

**N.A.N.
Jaya
Kumar**

**Director (Marketing)
upto 30.04.2022**

**Gulab
Chandra
Rai**

**Chief Vigilance Officer
upto 14.04.2022**

**Bir Singh
Negi**

**Chief Vigilance Officer
w.e.f. 12.07.2022 upto 24.09.2022**

**Anurag
Prasad**

**Chief Vigilance Officer
w.e.f. 27.02.2023**

Board of Directors



Hardeep Singh

Chairman & Managing Director
(w.e.f. 28.04.2023)

Part-Time Official Directors



Shashank Priya
SS&FA, DoC
(upto 10.01.2023)



Arti Bhatnagar
AS&FA, DoC
(w.e.f. 13.03.2023)



Vipul Bansal
JS, DoC



Kapil Kumar Gupta
Director (Finance)
MMTC with Additional Charge of STC



N.A.N. Jayakumar
Director (Marketing)
(upto 30.04.2022)

Independent Directors



Satish Kumar Chawla



Divakar Shetty Kaup



Dr. Rohini Sanjay Kachole



Dr. Bhim Singh



Manjeet Kumar Razdan



Dr. Vivek Atul Bhuskute



Ashok Kumar Aseri



Naresh Dhanrajbhai Kella

Chief Vigilance Officer



Gulab Chandra Rai
(upto 14.04.2022)



Bir Singh Negi
(w.e.f. 12.07.2022 upto 24.09.2022)



Anurag Prasad
(w.e.f. 27.02.2023)

Chief General Manager



D.P. Mishra
CGM-Personnel, GAD AUD, Legal & CSR
(upto 31.05.2022)

Chief Financial Officer



B.S. Rao
Chief Manager - Finance

Divisional Heads



S.K. Meena
JGM (P&A)



Akhil Mathur
DGM (Mkt.)



J.K. Patel
DGM (Mkt.)



R.K. Avasthi
DGM (E&M)



Sonal Taneja
DGM (Mkt. MSD&BS&P)



B.S. Bhamra
DGM-C (Bldg. Cell)



Dr. Jagdish Prasad
CM (OL), AUD, GAD, PR&A



Kh. Gyanen Angom
CM (Pers. & CSR)



B.K. Meera
CM-F, RO Chennai



Rajendra Rawat
CM-RO, Jalandhar

Company Secretary



Vipin Tripathi



Chairman's Speech

67th Annual General Meeting of STC

Dear Shareholders,

Good Morning,

I welcome you all on behalf of the members of the Board to the 67th Annual General Meeting of the Company for the financial year 2022-23. In pursuance of guidelines of the Ministry of Corporate Affairs, this Annual General Meeting of the Company is being held through virtual mode.

A copy of the Annual Report containing Board's Report and the Audited Accounts for the year ended 31st March, 2023, together with Auditors' Report and comments of C&AG, along with Management's reply thereto, has already been circulated and with your permission, I take them as 'read'.

Before I proceed to take up the formal agenda of today's meeting; I would like to briefly share with you the present status & performance of your company during the year 2022-23.

Performance of STC

Your Company continued as a 'non-operative' company during 2022-23 also and no business activities were undertaken by the STC during the year in pursuance of direction of the Ministry of Commerce & Industry and approval of the Board of Directors. However, the company continued monitoring of counter trade obligation as per the directions of the Government. Further, the accounts of the Company for the year 2022-23, were published on non-going concern basis. Presently, the main source of earning of the Company is rental income.

During the year 2022-23, the Company reported a net profit after tax of ₹33 crore as against the net loss (after tax) of ₹94 crore reported during the year 2021-22. The profit this year was mainly due to enhanced rental income and reduction

in establishment cost in view of overall reduction in the manpower of the Company. The Company had a negative net worth of ₹1029 crore (excluding revaluation reserves) as on 31.03.2023 and the accumulated losses of STC as on 31.03.2023 were ₹1156 crore. Further, the Company continued to pass through difficult financial phase and its account continued to remain NPA. The Board of Directors of your Company therefore have not recommended any dividend for the year 2022-23.

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

Status of OTS with the Banks and Way Forward

Your Company continued to follow-up with the lender banks for expediting the finalisation of One Time Settlement for settling their remaining dues, however, the same is yet to be concluded. Further, the case filed by Consortium of lender banks is still going on in Debt Recovery Tribunal (DRT). The matter is being placed before the Board and apprised to the Administrative Ministry regularly for information and further direction.

Your Company was exempted from signing of MOU with its Administrative Ministry for the year 2022-23. Similar exemption from signing of MOU for the year 2023-24 has also been sought from Department of Public Enterprises through Department of Commerce. The Company is laying greater emphasis on recovery of dues from various associates and the legal cases pending at various legal forums are being vigorously pursued through dealing advocates/counsels to speed up the recovery process.

Corporate Governance

Your Company is committed to adhering to the corporate governance guidelines of Govt. of India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A Report on Corporate Governance has been

brought out separately in the Directors' Report of the Company.

Changes in the Board of Directors of Your Company

I welcome Ms. Arti Bhatnagar, Additional Secretary & Financial Adviser, Ministry of Commerce & Industry on joining the Board of the Company as Part Time Official Directors.

However, the posts of Functional Directors except that of Director-Finance continue to remain vacant.

I would like to place on record deep appreciation for the valuable guidance and significant contributions made by the outgoing Directors, Shri N.A.N. Jeyakumar and Shri Shashank Priya during their tenure as member on the Board of STC, who have since ceased to be on the Board of the Company.

Acknowledgements

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

I am also thankful for the whole-hearted support received from Ministry of Commerce & Industry, banks, regulatory and statutory authorities, shareholders, CAG, statutory auditors / secretarial auditors, legal advisors and consultants from time to time and look forward for their continued support in future.

I, on behalf of the entire Board of Directors, would like to place on record the appreciation of the Board for the hard work and dedication of all the employees of the Company.

My best wishes to you all. With this, I conclude my address.

Thank you, for your time and attention.

(Hardeep Singh)

Chairman & Managing Director

(Additional Charge)

Date: 21.09.2023



Shri Hardeep Singh, CMD, STC and Senior Officials of the Corporation at the 67th Annual General Meeting of STC held on 21.09.2023 at Corporate Office, New Delhi.

BOARD’S REPORT

The Board of Directors presents the 67th Annual Report of the Company and its Audited Statement of Accounts for the year ended March 31, 2023 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 2022-23 vis-à-vis the previous year is summarized in the table below:

₹ Crore

	2022-23	2021-22
TURNOVER	-	-
FINANCIALS		
Income	85.04	77.36
Expenses	47.93	125.95
Profits		
Profit Before Tax	37	(49)
Profit After Tax	33	(94)
Net Worth	(1029)	(1082)

OPERATIONS AND BUSINESS PERFORMANCE

In pursuance of direction of the Ministry of Commerce & Industry and approval of the Board of Directors, STC continued as a ‘non-operative’ company during 2022-23 also and no business activities were undertaken by the STC during the year. However, the company continued monitoring of counter trade obligation as per directions of the Department of Commerce.

The rental income is the only source of income of STC and available surplus office space at JVB has been rented out to various Govt. Departments/ PSUs/PSU Banks, etc. As a result, the net rental income of STC increased to ₹73 crore (approx.) during the year 2022-23 as compared to ₹65 crore (approx.) during 2021-22.

During the year 2022-23, the Company reported a net profit (after tax) of ₹32.89 crore as against the net loss (after tax) of ₹93.97 crore reported during the year 2021-22. The same was mainly due to enhanced rental income and reduction in establishment cost

in view of overall reduction in the manpower of the Company. However, there was no trading income during 2022-23 due to stoppage of business activities by STC since November 2020 in pursuance of direction of the Ministry.

SETTLEMENT OF OUTSTANDING DUES WITH THE BANKS

The Company continued to follow-up with the lender banks for expediting the finalisation of One Time Settlement (OTS) for settling their remaining dues in line with the decision taken during the high level meeting chaired by Hon’ble CIM on 29.08.2019 regarding One Time Settlement of dues of STC with the Banks. An amount of ₹1100 crore has already been paid to the lender banks and as per decision STC’s identified immovable properties worth ₹300 crore (approx.) to be transferred to Banks on as is where is basis as full and final settlement under the OTS. However, the Draft Memorandum of One Time Settlement (MOTS) forwarded by Banks to STC was not in-line with the decision taken during the meeting held on 29.08.2019. As such, OTS is yet to be concluded due to deviation by the Banks from original terms of OTS agreed upon during the meeting chaired by Hon’ble CIM. The case filed by Consortium of lender banks is still going on in Debt Recovery Tribunal (DRT). Last date of hearing in DRT was on 26.07.2023. The matter is being placed before the Board regularly for information and further direction. The matter has also been informed to the Administrative Ministry for further directions.

DIVIDEND

The Company had a negative net worth of ₹1028.67 crore approx. (excluding revaluation reserves) as on 31.03.2023. Further, the accumulated losses of STC were ₹1156.04 crore as on 31.03.2023, therefore the Board of Directors of the Company have not recommended any dividend for the year 2022-23.

RESERVES (OTHER EQUITY)

An amount of (-) ₹257.57 Crore (including revaluation reserve of ₹884.60 Crore) was available in the other equity of the company as on 01.04.2022. An amount of ₹53.51 Crore (PAT: ₹32.89 Crore and other comprehensive income ₹20.62 Crore) has been transferred to retained earnings. Accordingly, as on 31st March, 2023, the other equity stood at (-) ₹204.06 Crore.

HUMAN RESOURCE

Manpower

STC had 149 employees on its rolls as on 31.03.2023, which included 89 managers and 60 staff. During the year 2022-23, 14 employees separated from the Company due to VRS/Superannuation/Resignation/Death/CRS.

Recruitments

The Company did not make any recruitment during the year 2022-23.

Industrial Relations

During the year 2022-23, the company continued to maintain harmonious industrial relations. No man days were lost.

Recruitment of SC/ST/OBC/PWD

The Company always implements Government of India's directives and guidelines issued from time to time with regard to recruitments of SC/ST/OBC/PWD.

Human Resource Development

The Company continued as 'non-going' concern during the year 2022-23.

OFFICIAL LANGUAGE

As a Central Public Sector Enterprise (CPSE), in pursuance of Official Language Policy, the Company is striving towards maximum use of official language i.e. Hindi in its day-to-day official work. In addition, necessary training through Hindi workshops is given to employees from time to time and meetings are also organized regularly in the Company.

Every year on the occasion of Hindi Diwas, 'Rajbhasha Pakhwada' is organized in the Company. During 2022-23, Rajbhasha Pakhwada was organized in the Company in September, 2022 and various Hindi competitions and programs were organized during this period. The winning employees of Hindi competitions were encouraged by giving prizes.



VIGILANCE ACTIVITIES

During the year 2022-23, measures were undertaken to expedite timely completion of investigations and disciplinary proceedings as per CVC's instructions. Further, CTE Type inspections were conducted in respect of service matters being carried out in the organisation, as per CVC's guidelines.

Vigilance Awareness Week 2022(VAW) was observed in the Company from 31st October, 2022 to 06th November, 2022 on the theme "Corruption free India for a developed Nation" (भ्रष्टाचार मुक्त भारत – विकसित भारत) at Corporate Office, Agra Branch & Representative Offices. On this occasion, Integrity Pledge was administered to all the employees of the Corporate Office. In-house activities such as Essay Writing competition, slogan writing competition etc. were also undertaken during VAW 2022 on the topics/theme – "Corruption undermines quality of public life & acts as obstacle for development of nation" and "शुद्ध करो आचार-विचार, दूर होगा भ्रष्टाचार, भारत होगा विकसित राष्ट्र", "Corruption free India for a developed nation" and "भ्रष्टाचार मुक्त भारत – विकसित भारत" respectively.

Further, various internal housekeeping activities were also undertaken in the focus areas of CVC during the three-months campaign period i.e. 16th August, 2022 to 15th November, 2022.

During the year 2022-23, Vigilance clearances have been given to various employees of the Company for purposes such as superannuation, foreign visit, etc. Further, vigilance clearance was also given to employees being reviewed under FR 56(J) and a total of 35 APRs were scrutinized during the year.

Two complaints received in 2022-23 and one disciplinary proceedings case was disposed-off during the year. Further, 5 disciplinary proceedings case were pending as on 31.03.2023.



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 raised by Banks.

STCL has a negative net worth and no business operations are being undertaken by STCL.

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) Regulation 2015, a detailed Management Discussion and Analysis Report forming part of the Annual Report of the Company is placed at **Annexure-I**.

ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act 2013, a copy of the Annual Return is available on the website of the Company: www.stclimited.co.in.

ANTI SEXUAL HARASSMENT POLICY

The Company has a laid down 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. Committee's report on two sexual harassment complaints has been submitted to the Competent Authority.

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 (CPIOs) for its Divisions at New Delhi and at Branch/Representative Offices across the country. For the convenience of public, a coordinating CPIO has also been nominated. First Appellate Authorities have also been nominated for considering the appeals of information seekers against the orders of CPIOs.

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 2022-23, 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 as STC is not undertaking any business activity and continuing as a non-operative Company for the time being.

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY

As per Section 135 of the Companies Act, 2013, the

Company was not mandated to allocate CSR budget for the year 2022-23 due to average net loss of last three preceding financial years. Moreover, in pursuant to direction of the Administrative Ministry, STC is continuing as non-operative Company. Thus, no CSR activities were undertaken during the year 2022-23.

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

PUBLIC PROCUREMENT POLICY

During the year 2022-23, the Company made procurement worth ₹2.04 crore from MSEs, which accounted for 90.27 percent of the total value of annual procurement of ₹2.26 crore made by STC of the goods produced and services being rendered by MSEs as against 25 percent target specified in the guidelines for procurement from MSE. The procurement from women and SC/ST entrepreneurs during the year 2022-23 was NIL either due to no participation by women and SC/ST entrepreneurs in the tender process or no women and SC/ST entrepreneurs being declared successful in the procurement tender process. The Company is following applicable procurement guidelines including procurement from GeM.

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. However, no business activities were carried out by STC during the year 2022-23.

FINANCIAL ACCOUNTING

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules and comply in all material aspects with the relevant provisions of the Companies Act, 2013 and other accounting principles generally accepted in India. Further, financial statements have been prepared on non-going concern basis in pursuance of directions given by the Board of Directors in its 639th adjourned meeting held on 05.04.2021.

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 judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses and actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a non-going basis. Revisions to accounting estimates wherever necessary are recognized prospectively.

INTERNAL FINANCIAL CONTROLS

The appointment of Internal Auditors for FY 2022-23 was made through GeM and Audit Committee of Directors reviewed the reports of Internal Auditors during the financial year 2022-23.

NUMBER OF MEETINGS OF THE BOARD

During the financial year 2022-23, five (5) meetings of the Board of Directors were held.

DECLARATIONS GIVEN BY INDEPENDENT DIRECTOR

All the Part-time Non-Official Directors (Independent Directors) on the Board of STC 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 31.03.2023.

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 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 as per the limits laid down in Companies Act, 2013 and other 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

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, subsections (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 (Government Nominee) as well as Part-time non-Official Directors (Independent Directors) on the Board of STC is made by 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.

RISK MANAGEMENT POLICY

Risk Management Framework was implemented 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.

However, no business activities were carried out by STC during the year 2022-23 and the Company continued as a non-operative Company during the year in pursuance of the directions of Administrative Ministry/Board. Further, accounts of the Company for the year 2022-23 were published on non-going concern basis in pursuance of Board's direction.

Further, an Anti-Fraud Policy has been implemented in STC 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

During the year, guidelines were in place requiring forward foreign exchange cover to be taken in respect of transactions involving STC funds. The Company did not take any exposure in volatile commodities/market condition during 2022-23 and therefore no such transactions were undertaken by the Company

CORPORATE GOVERNANCE

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidelines on Corporate Governance for CPSEs issued by the Department of Public Enterprises (DPE), Govt of India, a Report on Corporate Governance for the year 2022-23 forming a part of this report is placed at **Annexure-III**.

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. The Compliance certificate from the practising Company Secretary in this regard, forming a part of this Report, is placed at **Annexure -IV**.

The Company has got its Secretarial Audit for the financial year ended 31st March, 2023 conducted by M/s Parveen

Rastogi & Co., Practising Company Secretaries and their report forming a part of this Annual Report, is placed at **Annexure-V**.

The Company has made available all information of interest to its investors on its 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.

During the year 2022-23, a separate Meeting of the Independent Directors was held on 10.02.2023 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 Tiwari & Associates, Chartered Accountants were appointed as Statutory Auditors of the company for the FY 2022-23 by Comptroller & Auditor General of India (C&AG). Their report, along with replies of management, is attached and forms a 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 Company for the year 2022-23 and replies of the management thereto are attached and form a 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 stated that:

- (a) In preparation of the annual accounts for the year ended 31st March, 2023, 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 regarding profit and loss of the company for the year 2022-23;

- (c) the Directors have taken proper and sufficient care for 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 non-going concern basis for the year ended 31st March, 2023;
- (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. 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, while deliberating on the Director's Responsibility Statement observed that at present, STC is not carrying out any business activity and is continuing as a non-operative Company for the time being. Further, the positions of Functional Directors except CMD and Director (Fin.) (Additional Charge) are lying vacant. Administrative Ministry has been requested from time to time to fill-up the vacant positions and appointment is yet to be made by the Administrative Ministry against these vacant positions. The accounts of STC for the year 2022-23 were published on non-going concern basis.

Hence all the above clauses may not be applicable to STC and therefore Director's Responsibility Statement to be read along with Statutory Auditor's Report and CEO & CFO Certificate for the FY 2022-23.

Further, Auditors/CAG comments on annual accounts of STC for the year 2022-23 form part of the annual accounts and are available in this report.

BOARD OF DIRECTORS

Appointment

Since the last Annual General Meeting (AGM) held on 7th October 2022, the following changes have taken place in the Board of Directors of the Company:

1. Ministry of Commerce & Industry, Department of Commerce vide Order No. 11/36/2001-FT(M&O)-Vol-I dated February 24, 2023 has conveyed the appointment of Smt. Arti Bhatnagar, (IDAS:1990), Additional Secretary & Financial Adviser, Ministry of Commerce & Industry as a Director on the Board of the Company. She has been appointed as Additional Director on the Board of STC w.e.f 13.03.2023.

2. Ministry of Commerce & Industry, Department of Commerce vide Order No. A-12022/12/2012-E-IV dated April 21, 2023 has conveyed that Shri Hardeep Singh (ITS:1990), Additional Directorate General of Foreign Trade will hold additional charge of the post of Chairman & Managing Director (CMD), The State Trading Corporation of India Limited (STC Limited), in addition to his existing charge, for a period of one year with effect from the date of assumption of charge of the post, or until further orders, whichever is earlier. He has been appointed as Additional Director on the Board of STC w.e.f 28.04.2023.

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

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Sh. Kapil Kumar Gupta, Director-Finance (Additional Charge) would retire by rotation at the ensuing Annual General Meeting and being eligible, have offered himself 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 67th Annual General Meeting of the Company.

Cessation

1. On attaining the age of superannuation, Shri N.A.N. Jeyakumar, Director (Marketing) ceased to be a Director on the Board of STC on 30.04.2022 as per Office Order no. A-12022/13/2018-E.IV dated 29.04.2022 of Department of Commerce, Ministry of Commerce and Industry.
2. Shri Shashank Priya, Special Secretary & Financial Advisor (DoC), Part-time Official Director (Government Nominee) ceased to be a Director on the Board of STC as per Office Order No. K 11/36/2001-FT(M&O) dated 18.01.2023 of Department of Commerce, Ministry of Commerce and Industry.

The Board appreciates the valuable guidance and contributions made by Sh. N.A.N Jeyakumar and Sh. Shashank Priya during their tenure as Members of the Board.

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.

Further, the Board of Directors, in its meeting held on 03.03.2021, had also appointed Shri D.P. Mishra, Chief General Manager (upto 31.05.2022) and Shri S.K. Meena, Joint General Manager as the KMP of the Company.

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, Nomination & Remuneration Committee and Risk Management 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 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 have affirmed compliance to the Code of Conduct for the financial year ending 31st March 2023.

ACKNOWLEDGMENT

The Board expresses its gratitude for the continued co-operation and support provided by the Ministry of Commerce & 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/-

(Hardeep Singh)

Chairman & Managing Director

DIN: 09778990

Place: New Delhi

Date: 10.08.2023

MANAGEMENT DISCUSSION & ANALYSIS REPORT

WORLD ECONOMIC OVERVIEW

The cumulative effect of Russia's on going war of invasion of Ukraine and outbreak of different variants of COVID-19 continued to weigh heavily on the world economy during 2022. The world economy is estimated at 3.3 percent as against 6 percent in 2021 due to lingering supply disruption, perishing high inflation and resultant tightening of financial conditions in many economies.

There was significant slowdown for largest economies with growth of Advanced Economies estimated at 2.7 percent in 2022, with growth of US economy, Japan and Euro Area estimated at 2.1 percent, 1.1 percent and 3.5 percent respectively for 2022. Emerging Market and Developing Economies and Developing Economies estimated have grown at 4.0 percent in 2022. The economy growth of China and India estimated at 3.0 percent and 6.8 percent respectively for 2022.

OVERVIEW OF INDIAN ECONOMY

The Indian economy is estimated to grow by 6.8 percent in 2022-23. Despite persistent inflation, depreciating rupee and widening current account deficit, agencies worldwide continue to project India as the fastest-growing major economy.

The eight core infrastructure supportive industries, viz. coal, crude oil, natural gas, refinery products, fertilizers, steel, cement and electricity grew by 7.6 percent during 2022-23 as compared to a growth of 10.4 percent in 2021-22.

The performance of the industrial sectors based on the Index of Industrial Production (IIP) comprising mining, manufacturing and electricity registered a growth of 5.1 percent in 2022-23 as compared to 11.4 percent in 2021-22. The average inflation rate during in the year 2022 was 6.7 per cent as against 5.1 per cent during the year 2021.

During 2022-23, India made merchandise exports worth US\$ 447.46 billion as against US\$ 422.00 billion in 2021-22, registering a growth of 6.03 percent over the previous year. Merchandise imports for 2022-23 were US\$ 714.24 billion as against US\$613.05 billion in 2021-22, registering a growth of 16.51 percent over the previous year. Non-petroleum and non-gems & jewellery exports during 2022-23 were 314.98 billion as compared to US\$315.43 billion in 2021-22. Whereas non-petroleum and non-gems & jewellery imports during 2022-23

were 433.65 billion as compared to US\$370.79 billion in 2021-22. Thus, the trade deficit for 2022-23 estimated at US\$ 266.78 billion, as compared to US\$ 191.05 Billion in 2021.22.

According to the estimates released by Department of Industrial Policy and Promotion (DIPP), the total FDI investments in India during 2022-23 stood at US\$ 55.27 billion as against US\$ 84.83 billion in the previous year. The foreign exchange reserves stood at US\$ 509.69 billion as on 31st March 2023, as compared to US\$ 539.72 billion at end-March 2022.

STC's PERFORMANCE AND OUTLOOK

Business Activity

During the year 2022-23, no business activities were undertaken by the Company and STC continued as a 'non-operative' company in pursuance of the direction of the Ministry of Commerce & Industry and approval of the Board of Directors. However, the company continued monitoring of counter trade obligation as per directions of the Department of Commerce.

The performance of the company during the year 2022-23 vis-a-vis the previous year is summarized below:

(₹ Crore)

Particulars	2022-23	2021-22
TURNOVER	-	-
FINANCIALS		
Income		
Trading Profit	-	-
Rental Income	73.35	64.95
Interest & Other Income	11.69	12.41
Total	85.04	77.36
Expenses		
Employees Benefit	34.75	40.91
Administration & Trade	11.48	12.21
Interest	1.94	1.94
Exceptional Item (Net)	(0.24)	70.89
Total	47.93	125.95
Profits		
Profit Before Tax	37.11	(48.60)
Profit After Tax	32.89	(93.97)
Net Worth	(1028.67)	(1082.17)

Details of Significant Changes in Key Financial Ratios:

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

S. No.	Particulars	2022-23	2021-22	Variation (%)	Remarks
1	Debtors Turnover	-	-	-	Turnover is NIL during the FY 2022-23.
2	Inventory Turnover	-	-	-	Inventory and Turnover is NIL during the FY 2021-22.
3	Interest Coverage Ratio	22.18	12.49	(9.69)	Increase in EBITDA due to increase in other income and reduction in expenses.
4	Current Ratio	0.60	0.60	-	-
5	Debt Equity Ratio	(17.23)	(12.63)	4.60	Debt /Equity, Debt include Total Liabilities other than Shareholder fund
6	Operating Profit Margin (%)	-	-	-	Turnover is NIL during the FY 2021-22.
7	Net Profit Margin	-	-	-	Turnover is NIL during the FY 2021-22.
8	Return on Net Worth		N.A		Net worth is negative

Profitability

During the year 2022-23, the Company reported a net profit (after tax) of ₹37.11 crore as against the net loss (after tax) of ₹93.97 crore reported during the year 2021-22. The same was mainly due to enhanced rental income (from ₹65 crore to ₹73 crore) and reduction in establishment cost (from ₹41 crore to ₹35 crore) in view of overall reduction in the manpower of the Corporation. However, there was no trading income due to stoppage of business activities.

INTERNAL CONTROLS AND PROCEDURES

Statutory Auditor is appointed by the CAG and professional agencies conducting regular and exhaustive internal audits are appointed through GeM Portal. The observations/ recommendations made by the auditing agencies are reported to the Audit Committee of Directors along with a report on the compliance of directions issued in the past. The quarterly financial statements as well as reports of the statutory auditors and Government audit party are reviewed by the Audit Committee of Directors before these are submitted to the Board of Directors.

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 also conducts inspection of Divisions and Branch Office of the Company and makes suggestions for taking corrective / preventive action.

WAY FORWARD

STC was exempted from signing of MOU for the year 2022-23. The Company continuing on 'non-going' concern basis and no business activities are being carried out by STC in pursuance of direction of the Administrative Ministry/Board. Also, the Company continued to pass through difficult financial phase and account of STC is continued to be classified as NPA by the lender banks. Since there is no change in the business activity and financial position of the Company, therefore exemption from signing of MOU for the year 2023-24 has also been sought from DPE through DOC.

The Company continuously keeps reviewing potential areas of cost reduction and takes appropriate steps for reduction in avoidable expenses and avenues of generating rental income by renting out surplus office space available with STC.

The Company continued to follow-up with the lender banks for expediting the finalisation of One Time Settlement (OTS) for settling their remaining dues in line with the decision taken during the high level meeting chaired by Hon'ble CIM on 29.08.2019 regarding One Time Settlement of dues of STC with the Banks. An amount of ₹1100 crore has already been paid to the lender banks and as per decision STC's identified immovable properties worth ₹300 crore (approx.) to be transferred to Banks on as is where is basis as full and final settlement under the OTS. However, the Draft Memorandum of One Time Settlement (MOTS) forwarded by Banks to STC was not in-line with the decision taken during the meeting held on 29.08.2019. As such, OTS is yet to be concluded due to deviation by the Banks from original terms of OTS agreed upon during the meeting chaired by Hon'ble CIM. The case filed by Consortium of lender banks is still going on in Debt Recovery Tribunal (DRT). Last date of hearing in DRT was on 26.07.2023. The matter is being placed before the Board regularly for information and further direction. The matter has also been informed to the Administrative Ministry for further directions.

CAUTIONARY STATEMENT

The Company is not carrying out any business activity for last three years, continues to pass through difficult financial phase and is continuing as a 'non-going' concern. The manpower of the Company is also reducing due to resignations, superannuation, VRS, etc. and there are no fresh recruitments in STC. Further, all posts of Functional Directors except Director-Finance (AC) and CMD (AC) are vacant. Therefore, the certain statements contained in this Annual Report describing the Company's objectives, expectations or anticipations may be forward-looking statements within the meaning of applicable laws and regulations and the actual results may differ materially from the expectations.

THE ANNUAL REPORT ON CSR ACTIVITIES, 2022-23

1. Brief outline on CSR Policy of the Company.

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.

Overview of projects or programs proposed to be undertaken in FY-2023-24

From the year 2021-22, STC has been exempted from signing Memorandum of Understanding (MoU) with the administrative Ministry to carry out any new business activities and is currently continuing as a non-operative company.

Besides, the Corporation has also posted an average net loss of ₹ 20.90 Crore during the last three immediately preceding financial years {(–)₹51.21 Crore (FY2020-21), (–)₹48.60 Crore (FY2021-22) & ₹37.11 Crore (FY2022-23)}, it is not mandated to allocate CSR budget for the year 2023-24. Thus, owing to non-availability of CSR budget, the Corporation has no new CSR projects proposed to be undertaken during the financial year FY2023-24.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Satish Kumar Chawla	Chairperson	1	1
2.	Dr. Vivek Atul Bhuskute	Member	1	1
3.	Dr. Bhim Singh	Member	1	1
4.	Shri Manjeet Kumar Razdan	Member	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.

The Composition of CSR committee, CSR Policy and CSR Projects is uploaded in the Company's website: www.stclimited.co.in

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Since no CSR budget was allocated owing to average net loss of last three preceding financial years, no CSR projects have undertaken during the year 2022-23, thus, carrying out Impact Assessments of CSR projects is not applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1.	2022-23	Nil	Nil
	Total	Nil	Nil

6. Average net profit of the company as per section 135(5).

Year	Profit (₹ in Crore)
2019-20	(113.63)
2020-21	(51.22)
2021-22	(48.59)
Average net profit for last 3 years	(71.14)

7. (a) Two percent of average net profit of the company as per section 135(5)

In view of the average net loss of ₹ 71.14 Crore, the Corporation was not mandated to allocate CSR budget for the financial year 2022-23 and thus it was 'Nil'.

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

Nil

(c) Amount required to be set off for the financial year, if any

Nil

(d) Total CSR obligation for the financial year (7a+7b- 7c).

Nil

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Nil					

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	State	District	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation-Direct (Yes / No)	Name	Mode of Implementation Through Implementing Agency
Nil												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (in ₹)	(7) Mode of implementation Direct (Yes/No)	(8) Mode of implementation -Through implementing agency	
				State	District			Name	CSR registration number
Nil									

(d) Amount spent in Administrative Overheads

Nil

(e) Amount spent on Impact Assessment, if applicable

Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

Nil

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
1.	Two percent of average net profit of the company as per section 135(5)	Nil
2.	Total amount spent for the Financial Year	Nil
3.	Excess amount spent for the financial year [(ii)-(i)]	Nil
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5.	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Nil							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1) Sl. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Total amount allocated for the project (in ₹)	(7) Amount spent on the project in the reporting Financial Year (in ₹)	(8) Cumulative amount spent at the end of reporting Financial Year (in ₹)	(9) Status of the project Completed /Ongoing
Total					Nil			

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (Asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).

Not applicable

(b) Amount of CSR spent for creation or acquisition of capital asset.

Not applicable

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

Not applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

Not applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

The Company was not mandated to allocate CSR funds for the financial year 2022-23 in view of average net loss of ₹71.14 Crore for the three immediately preceding financial years.

Sd/-

Dr. Vivek Atul Bhuskute

Member

DIN: 09417992

Sd/-

Dr. Bhim Singh

Member

DIN: 09407618

Sd/-

Shri Manjeet Kumar Razdan

Member

DIN: 09413663

Sd/-

Shri Satish Kumar Chawla

Chairperson (CSR Committee)

DIN: 09400987

Date: 10.08.2023

Place: New Delhi

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY

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

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

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 Company is not carrying out any business activity and the manpower of STC has also been reduced significantly due to implementation of VRS in pursuance of the directions of Administrative Ministry. The posts of CMD, STC and Functional Directors except Director (Finance)-Additional Charge were vacant during the FY 2022-23 due to which difficulties were being faced by the Company in completing various requirements. Ministry of Commerce & Industry, Department of Commerce vide its Order No. A-12022/12/2012-E-IV dated April 21, 2023 has appointed Shri Hardeep Singh, Additional Director General of Foreign Trade as CMD of STC w.e.f 28.04.2023.

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.

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 of Board

STC being a Government Company, all its Directors are appointed by the President of India, through the Ministry of Commerce & Industry. The Articles of Association of the Company stipulates that the number of Directors shall not be less than four and more than sixteen. As on 31st March, 2023, there were eleven (11) Directors on the Board comprising, One(1) whole time Functional Director and Two (2) Part-Time Official Directors, who are the Government nominees and (8) Part-Time Non-Official Directors (Independent Directors).

Consequent upon superannuation of Shri S.K Sharma, Director (Personnel) with Additional charge of CMD on 31.01.2022, the post of CMD was vacant till 27.04.2023. Further, Ministry of Commerce & Industry, Department of Commerce vide its Order No. A-12022/12/2012-E-IV dated April 21, 2023 has appointed Shri Hardeep Singh, Additional Director General of Foreign Trade as CMD of STC w.e.f 28.04.2023.

All the Directors except CMD and Independent Directors are liable to retire by rotation and atleast one third of such Directors retire every year and if eligible, qualify for re-appointment.

Apart from CMD and Functional Directors, who receive directors' remuneration, other Directors of the Board do not have any material pecuniary relationships 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 CMD / Whole Time Director of the company. The Board of STC meets regularly at least once in every 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 2022-23 are as follows:

Name & Designation	No. of Board Meetings held during the tenure	No. of Board Meetings attended	Whether attended last AGM held on 07.10.2022	As on 31.03.2023	
				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 Hardeep Singh, ADGFT Chairman & Managing Director of STC (holding DIN 09778990) w.e.f 28.04.2023	NA	NA	NA	2 Listed Companies:1 i.e MMTC Limited	NA
Shri N.A.N. Jeyakumar, Director (Marketing) (holding DIN No:08479171) Upto 30.04.2022	NA	NA	NA	NA	NA
Shri Kapil Kumar Gupta, Director(Finance) MMTC with additional charge of Director (Finance) STC (holding DIN No: 08751137)	5	5	Yes	2 Listed Companies : 1 i.e MMTC Limited	Membership:2 Chairmanship: nil
Part-time official Directors - Government Nominee					
Shri Shashank Priya Special Secretary & Financial Advisor, DoC (holding DIN No:08538400) Upto 10.01.2023	4	4	No	NA	NA
Smt Arti Bhatnagar, Additional Secretary& Financial Advisor, DoC (holding DIN 10065528) w.e.f 13.03.2023	NA	NA	NA	3 Listed Companies:3 i.e HMT Limited, Bharat Heavy Electricals Limited& MMTC Limited	Chairmanship:1 Membership:5
Shri Vipul Bansal, Joint Secretary, DoC (holding DIN No:02687229)	5	1	No	1 Listed Companies:1 i.e MMTC Limited	Nil
Part-time Non-Official Directors – Independent Directors					
Shri Satish Kumar Chawla, Independent Director (holding DIN No. 09400987) w.e.f. 30.11.2021	5	5	Yes	Nil	Nil
Shri Ashok Kumar Aseri, Independent Director (holding DIN No. 09405164) w.e.f. 03.12.2021	5	5	Yes	Nil	Nil
Dr. Rohini Sanjay Kachole, Independent Director (holding DIN No. 09405874) w.e.f. 01.12.2021	5	5	Yes	Nil	Nil

Name & Designation	No. of Board Meetings held during the tenure	No. of Board Meetings attended	Whether attended last AGM held on 07.10.2022	As on 31.03.2023	
				No. of Directorships in other Public Limited Companies & Names of Listed Companies	Memberships/ Chairmanship in Committees of the Boards of other companies
Shri Divakar Shetty Kaup, Independent Director (holding DIN No. 09407538) w.e.f. 30.11.2021	5	5	Yes	Nil	Nil
Dr. Bhim Singh, Independent Director (holding DIN No. 09407618) w.e.f. 01.12.2021	5	5	Yes	Nil	Nil
Shri Manjeet Kumar Razdan, Independent Director (holding DIN No. 09413663) w.e.f. 02.12.2021	5	5	No	Nil	Nil
Dr. Vivek Atul Bhuskute, Independent Director (holding DIN No. 09417992) w.e.f. 02.12.2021	5	5	No	Nil	Nil
Shri. Naresh Dhanrajbhai Kella, (holding DIN No. 01176450) Independent Director w.e.f. 30.03.2022	5	3	Yes	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 2022-23, Five (5) meetings of the Board were held at the registered office of the Company. The details are as below:

Sr. No.	Meeting No.	Date of Board Meeting
1	646	27.05.2022
2.	647	25.07.2022
3.	648	10.08.2022
4.	649	09.11.2022
5	650	09.02.2023

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

1.3 Changes in the Board of Directors

Ministry of Commerce & Industry, Department of Commerce (DoC) vide its Office order no.A-12022/13/2018-E.IV dated 29.04.2022 conveyed that on attaining the age of superannuation, Shri N.A.N. Jeyakumar, Director (Marketing) retired from the services of the corporation w.e.f 30.04.2022 and consequently ceased to be a Director of the Company w.e.f. that date.

Pursuant to Ministry of Commerce & Industry, Department of Commerce (DoC) Office order No.K-11/36/2001-FT M&O dated 18.01.2023, Shri Shashank Priya, Government Nominee Director ceased to the Director of the Company w.e.f 10.01.2023.

Ministry of Commerce & Industry, Department of Commerce vide Order No. 11/36/2001-FT (M&O) - Vol - I dated February 24, 2023 conveyed appointment of Ms. Arti Bhatnagar, (IDAS : 1990), Additional Secretary & Financial Adviser, Ministry of Commerce & Industry as a Director on the Board of the Company. The appointment of Ms. Arti Bhatnagar as a Director of the State Trading Corporation of India Limited w.e.f 13.03.2023 has been approved by the Board of Directors, through circulation, on 17.03.2023.

Ministry of Commerce & Industry, Department of Commerce vide Order No. A-12022/12/2012-E-IV dated April 21, 2023, Shri Hardeep Singh, (ITS: 1990), Additional Directorate General of Foreign Trade has been given additional charge of the post of Chairman & Managing Director (CMD), The State Trading Corporation of India Limited (STC Limited), in addition to his existing charge, for a period of one year with effect from the date of assumption of charge of the post, or until further orders, whichever is earlier. The appointment of Shri Hardeep Singh as a Director of the State Trading Corporation of India Limited w.e.f 28.04.2023 has been approved by the Board of Directors, through circulation.

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

As per Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief resumes of all Directors retiring by rotation and seeking appointment /re-appointment indicating nature of their experience in specific functional areas, names of Companies in which they hold directorship and membership/ chairmanship of Boards/ Committees are appended to the notice calling the 67th Annual General Meeting of the Company.

3. SKILLS, EXPERTISE AND COMPETENCE OF THE BOARD

Since, the Company is a Government Company

under the administrative control of Ministry of Commerce & Industry, all the Functional Directors including CMD, Government Nominee Directors and Independent Directors are appointed by the Government of India.

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.

No Part-time Non-official Director (Independent Director) has been resigned before the expiry of his/her tenure as on 31.03.2023.

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 was reconstituted on 05.01.2022 by the Board of Directors by means of resolution passed by circulation, with Shri Satish Kumar Chawla as Chairperson and Shri Divakar Shetty Kaup, Shri Ashok Kumar Aseri & Dr. Vivek Atul Bhuskute as Members of the Committee.

Besides above, all other Functional Directors, Finance Divisional Head and Statutory Auditors are special invitees to the meetings. Details of Attendance & Meetings held during the FY 2022-23 are as follows:-

5.1.2 Attendance:

Member	No of Meetings held during the period	No of Meetings attended
Shri Satish Kumar Chawla	6	6
Shri Divakar Shetty Kaup	6	6
Shri Ashok Kumar Aseri	6	6
Dr. Vivek Atul Bhuskute	6	6

5.1.3 Details of Audit Committee Meetings:

During the financial year 2022-23, Six (6) meetings of Audit Committee were held. The details of Audit Committee meetings are as follows:

Sr. No.	Meeting No.	Date of the Audit Committee Meeting
1.	104	27.05.2022
2.	105	10.07.2022
3.	106	10.08.2022
4.	107	09.11.2022
5.	108	23.12.2022
6.	109	09.02.2023

5.2 Nomination and Remuneration Committee

The term of reference of the Nomination and Remuneration Committee are 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, the 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.

The Nomination and Remuneration Committee was reconstituted by the Board of Directors on 05.01.2022 by means of resolution passed by circulation, with

Dr. Bhim Singh as Chairperson and Dr. Rohini Sanjay Kachole, Shri Manjeet Kumar Razdan & Shri Ashok Kumar Aseri as members of the Committee.

During the FY 2022-23, one meeting of the Nomination and Remuneration Committee of Directors was held on 10.11.2022 which was attended by all the members.

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. The Stakeholders Relationship Committee was reconstituted on 05.01.2022 by means of resolution passed by circulation, comprising four members viz, Shri Divakar Shetty Kaup as Chairperson and Dr. Vivek Atul Bhuskute, Dr. Rohini Sanjay Kachole & Shri Manjeet Kumar Razdan as the members of the Committee.

During the FY 2022-23, one meeting of the Stakeholders Relationship Committee of Directors was held on 10.02.2023 which was attended by all the members.

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.

The CSR Committee was reconstituted by the Board of Directors on 05.01.2022 by means of resolution passed by circulation with Shri Satish Kumar Chawla as Chairperson and Dr. Vivek Atul Bhuskute, Dr. Bhim Singh & Shri Manjeet Kumar Razdan as the members of the Committee.

During the FY 2022-23, one meeting of the CSR committee of Directors was held on 10.08.2022 which was attended by all the members.

5.5 Risk Management Committee:

The terms of reference of the Risk Management Committee is as per provisions of the Regulation 21 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time, every top 1000 listed companies determined on the basis of market capitalization as at the end of immediate preceding Financial Year are required to constitute a Risk Management Committee.

The Risk Management Committee was reconstituted by the Board of Directors on 23.06.2022 by means of resolution passed by circulation with Shri Kapil Kumar Gupta, Director – Finance, (MMTC) with additional charge of STC as Chairperson and Dr. Rohini Sanjay Kachole (Independent Director), Shri Naresh Dhanrajbhai Kella (Independent Director), Shri Suresh Kumar Meena (Joint General Manager) and Smt. Sonal Taneja (Deputy General Manager) as the members of the Committee. Shri B.S Rao, Chief Manager & Chief Financial Officer is the permanent invitee to the Risk Management Committee.

During 2022-23, two meetings of Risk management Committee were held on 10.11.2022 and 23.03.2023 which were attended by all the members except Shri Naresh Dhanrajbhai Kella, Independent Director.

5.6 Separate Meeting of Independent Directors:

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

During 2022-23, a separate meeting of Independent Directors was held on 10.02.2023 at the registered office of the Company. All the Independent Directors except Shri Naresh Dhanrajbhai Kella attended the Meeting.

6. Directors' Remuneration

6.1 Remuneration of Directors' for the year ended 31.03.2023 was as follows:

(a) Functional Directors:

(Figures in ₹)

Sr. No.	Names	Salary incl. DA	Other perquisites & Benefits	P. F + Pension	Provision (2021-22)	Total
2	Shri N.A.N Jeyakumar	2,27,013	62,065	47,672	-	336750
3	Shri Kapil Kumar Gupta #	Not Applicable				

Shri Kapil Kumar Gupta, Director (Finance) MMTC Limited having additional charge of Director(Finance) in STC did not draw any remuneration from STC.

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

Non-Executive non-official Directors are paying 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 2022-23 are given:-

S. No.	Name of Independent Director	Sitting Fee (₹ in Lakh)
1.	Shri Satish Kumar Chawla	2.4
2.	Shri Ashok Kumar Aseri	2.4
3.	Dr. Rohini Sanjay Kachole	1.8
4.	Shri Divakar Shetty Kaup	2.4
5.	Dr. Bhim Singh	1.4
6.	Shri Manjeet Kumar Razdan	1.6
7.	Dr. Vivek Atul Bhuskute	2.6
8.	Shri. Naresh Dhanrajbhai Kella	0.6

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 hold 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.

The posts of CMD, STC and Functional Directors except Director (Finance)-Additional Charge were vacant during the FY 2022-23. Ministry of Commerce & Industry, Department of Commerce vide its Order No. A-12022/12/2012-E-IV dated April 21, 2023 has appointed Shri Hardeep Singh, Additional Director General of Foreign Trade as CMD of STC w.e.f 28.04.2023.

7. Compliance Officer

S. No.	Name	Period
1	Shri Vipin Tripathi	20.12.2019 - continuing

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, only one (1) complaints /queries/ correspondence was received and all the same was replied / attended to the satisfaction of the shareholder.

No complaint is pending as on 31st March, 2023.

8.1 Settlement of Grievances

Investors may register their grievances in the manner stated below:

Sl. 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, NewDelhi-110020 Tel.No.91-11 41406149/50/51/52 Fax: 91 - 41709881. Website:www.mcsregistrars.com e-mail: admin@mcsregistrars.com	Letter on plain paper stating the nature of complaint, Folio No., lodging of original shares and other documents/instruments as the case may be
2	For Shares in Demat form- Change of address, status, Bank account, Mandate, ECS mandate etc.	Concerned Depository Participant (DP) where share holder is maintaining his/her account.	As per procedure prescribed by the DP.

9. Familiarization programme of the Independent Directors

The details regarding familiarization programme of Independent Directors are available on the website of the Company in Investor Desk under Disclosure under Regulation 46 of SEBI(LODR) Regulations with the heading as Details of familiarization programmes imparted to Independent Directors ([link: http://www.stclimited.co.in/sites/default/files/DFPID150722.pdf](http://www.stclimited.co.in/sites/default/files/DFPID150722.pdf))

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

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

All the Members of the Board and senior management have confirmed compliance with the Code of Conduct for the year under review. a declaration on Code of Conduct for Members of the Board and Senior Management signed by Chairman & Managing Director 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.

In pursuance to Regulation 3(5) of SEBI (PIT) Regulations, 2015, the company has to maintain Structured Digital Database (SDD) capturing all the details regarding Unpublished Price Sensitive Information and a compliance certificate on quarterly basis in prescribed format signed and certified by the Compliance Officer of the Company has to be submitted to both the stock exchanges.

Further, in pursuance of direction of Ministry of Commerce and Industry and decision taken by the Board, STC is functioning as a non-operative company for the time being and has stopped all its business activities and the financial accounts of the Company w.e.f FY 2021-22 are being prepared on non-going concern basis. It is to inform that due to the precarious financial condition of STC, the Company has not procured any software supporting Structured Digital Database and the same is being intimated to both the stock exchanges.

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 2021-22 was submitted to the Board on 23.05.2023 and the same signed by Chairman & Managing Director and Chief Financial Officer (CFO), is annexed.

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 during FY 2022-23 is as follows:

(i)	Shri Anup Singh, Deputy Secretary	Director
(ii)	Shri V.K Singh, Deputy Secretary	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 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, New Delhi-110001. The details of such meetings held during the last three years are as under:

Nature of Meeting	Financial Year	Date & Time
Annual General Meeting (Adjourned)	2021-22	07.10.2022 (Through Video Conferencing)
Annual General Meeting	2021-22	30.09.2022 at 11.00 A.M (Through Video Conferencing)-Due to unavailability of quorum, AGM was adjourned to 07.10.2022
Annual General Meeting	2020-21	24.11.2021 – 02:00 P.M. (Through Video Conferencing)
Annual General Meeting	2019-20	17.12.2020 – 02:00 P.M. (Through Video Conferencing)

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

No Special Resolution had been passed at last three years' Annual General Meetings.

However the following special/ordinary resolutions were passed through postal ballot during the current financial year:

Date of postal ballot notice	: 26.05.2022
Voting Period	: 28.05.2022 - 26.06.2022
Declaration of results	: 28.06.2022

S. No.	Resolution	No. of votes in favour of resolution	Percentage	No. of votes against resolution	Percentage
1.	Special Resolution : To approve the appointment of Shri Manjeet Kumar Razdan (DIN: 09413663) as Independent Director of the Company.	54018760	99.99	6659	0.01
2.	Special Resolution :To approve the appointment of Shri Satish Kumar Chawla (DIN: 09400987) as Independent Director of the Company.	54018760	99.99	6659	0.01
3.	Special Resolution : To approve the appointment of Dr. Bhim Singh (DIN:09407618) as Independent Director of the Company.	54018785	99.99	6659	0.01
4.	Special Resolution :To approve the appointment of Shri Divakar Shetty Kaup (DIN: 09407538) as Independent Director of the Company.	54018742	99.99	6702	0.01
5.	Special Resolution :To approve the appointment of Dr. Vivek Atul Bhuskute(DIN: 09417992) as Independent Director of the Company.	54018771	99.99	6663	0.01
6.	Special Resolution :To approve the appointment of Dr. Rohini Sanjay Kachole (DIN: 09405874) as Independent Director of the Company.	54018785	99.99	6659	0.01
7.	Special Resolution :To approve the appointment of Shri Ashok Kumar Aseri(DIN: 09405164) as Independent Director of the Company.	54018780	99.99	6664	0.01
8.	Ordinary Resolution : To approve the appointment of Shri Vipul Bansal (DIN:02687229) as Part-Time Government Director of the Company.	54018841	99.99	6603	0.01
9.	Special Resolution :To approve the appointment of Shri Naresh Dhanrajbhai Kella (DIN: 01176450) as Independent Director of the Company.	54018786	99.99	6658	0.01

Procedure of Postal Ballot

Pursuant to provision of Section 110 of the Companies Act, 2013 and Rules made thereunder, the Postal Ballot Notice dated 26th May, 2022 was sent to all the members of the Company through electronic form, for seeking their approval by means of ordinary / special resolutions through postal ballot. The dispatch of the aforesaid notice through email to the Members of the Company was completed on 26th May, 2022 and an advertisement in this regard was published in the newspapers, both in English and Hindi on 27th May, 2022. The e- voting period commenced on Saturday, 28th May, 2022 (9:00 A.M. IST) and ended on Sunday, 26th June, 2022 (5:00 P.M. IST).

The Company had appointed M/s P. C. Jain & Co., Practising Company Secretaries, as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner. The E-Voting facility through NSDL was provided to the Members of the Company.

The Members were requested to cast their votes electronically up to 5:00 P.M. (IST) on Sunday, 26th June, 2022.

After due scrutiny of all the postal ballot votes electronically up to 5:00 P.M. (IST) on Sunday, 26th June, 2022 (being last date fixed for the postal Ballot voting by Members), M/s P. C. Jain & Co., Practicing Company Secretaries, presented his report dated 28th June, 2022, based on which the results were declared on 28th June, 2022.

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 (RPT) and also on Dealing with Related Party Transactions. 'Related Party Transactions Policy'

was amended by the Board on 27.05.2022 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 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.
- 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 www.stclimited.co.in. The results are not sent individually to the shareholders
- Limited Review Reports: "Limited Review reports" of the unaudited financial results for the respective quarter(s) obtained from statutory auditors of the company are filed with the Stock Exchange(s) from time to time.
- News Release: The official news releases are displayed on the Company's website www.stclimited.co.in.
- Website: The Company's website www.stclimited.co.in contains a separate section where the shareholders information is available. Full Annual Report, Shareholding Pattern and Corporate Governance Report etc. are also available on the website in a user friendly manner.
- Annual Report: Annual Report containing inter-alia, Audited Annual Accounts, Directors' Report, Management Discussion and Analysis (MD&A) Report, Auditors' Report, Corporate Governance Report including information for the Shareholders and other important information is circulated to the members and others entitled thereto.

15. SHAREHOLDERS' INFORMATION

15.1 Forthcoming AGM –Date, Time and Venue

The Annual General Meeting for the Financial Year 2022-23 is scheduled to be held through Video Conferencing on 21.09.2023 at 11.30 A.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, 2023	14 th August, 2023
September 30, 2023	14 th November, 2023
December 31, 2023	14 th February, 2024
March 31, 2024 (Audited)	30 th May, 2024

15.3 Book Closure Period:

The Register of Members shall remain closed from Thursday, 14.09.2023 to Thursday, 21.09.2023 (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 2023-24 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 2023-24 based on the Folio/ ISIN positions as on 31.03.2023.

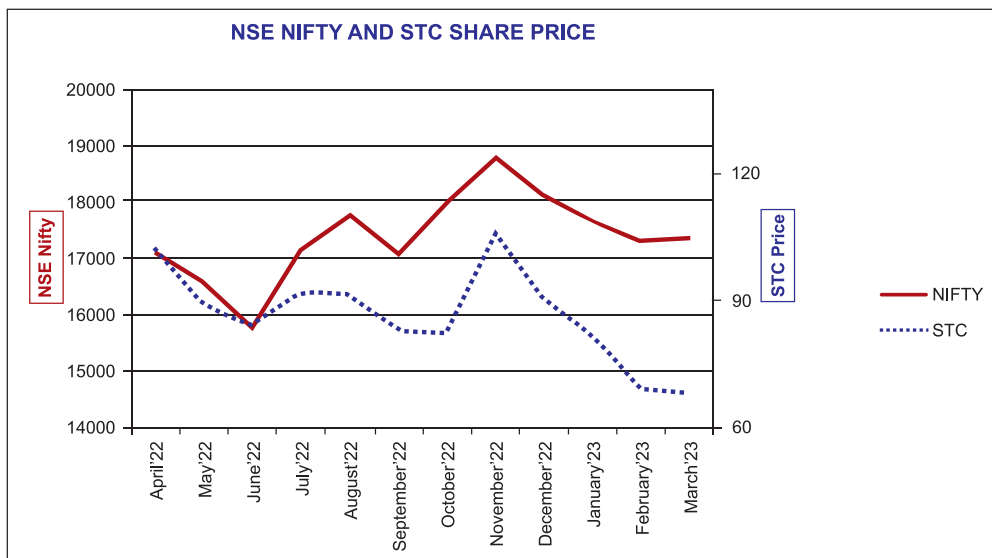
15.7 Stock Market Data: High/Low during each month in last financial year 2022-23 and with comparison with BSE Sensex and NSE Nifty

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-22	127.8	97.85	102	3054355	127	98.1	102.1	227115	17102.55	57060.87
May-22	103.15	83.5	89	987492	103.9	84.1	89.05	176990	16584.55	55566.41
Jun-22	93.55	67	84.2	1705523	93.55	67.1	83.95	145498	15780.25	53018.94
Jul-22	98.2	80.35	91.9	877669	97.75	69	92	83349	17158.25	57570.25
Aug-22	96.4	85.35	91.35	1148039	96.1	86.2	91.35	117491	17759.3	59537.07
Sep-22	100.4	73.55	83.1	1887846	100	77	83.15	156395	17094.35	57426.92
Oct-22	92.9	80.15	82.6	896161	93	78	82.7	58780	18012.2	60746.59
Nov-22	113.7	80.8	105.9	7955800	113.85	80.2	105.25	487550	18758.35	63099.65
Dec-22	106.65	80.5	90.25	3851784	106.6	80.45	90.25	263953	18105.3	60840.74
Jan-23	96.60	75.75	82.05	814437	96.3	76.1	81.95	95545	17662.15	59549.9
Feb-23	84.5	68.5	69.15	460528	90	62.05	69.5	64857	17303.95	58962.12
Mar-23	75.85	69.25	68.40	566928	75	65.34	68.36	59248	17359.75	58991.52

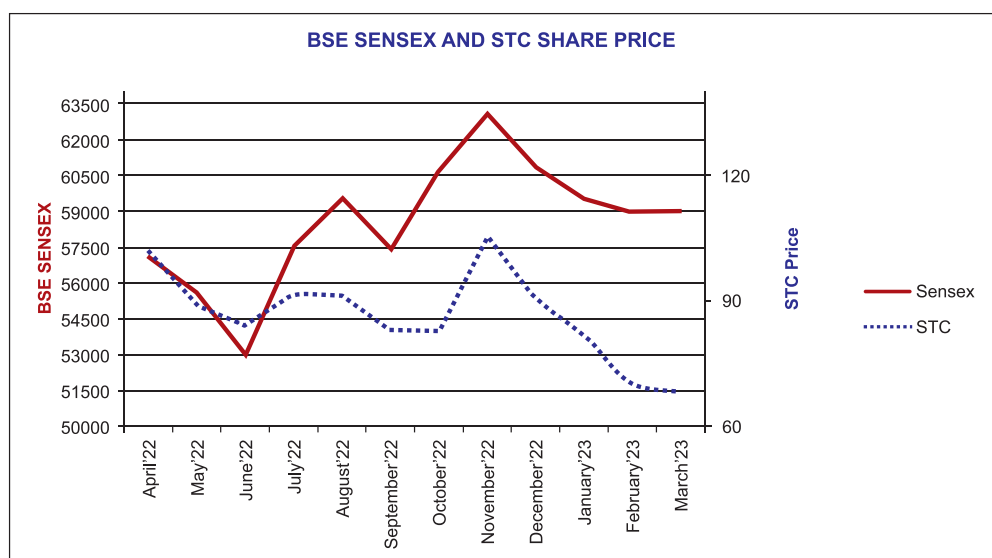
Source: Websites of BSE and NSE

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



(ii) 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. No share transfer request was pending as on 31.03.2023. 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, 2023

Category	No. of Shareholders	No. of Shares	Percentage of Shareholding
President of India (Government of India)	1	54000000	90
Mutual Funds/UTI	1	100	0.000167
Financial Institutions / Banks	0	0	0
Insurance Companies	3	604530	1.00755
Foreign Institutional Investors	0	0	0
Bodies Corporate	154	196923	0.328205
Indian Public	22671	5050687	8.417812
Non Resident Indians	187	93843	0.156405
NBFC's	1	325	0.000542
Trust	2	7919	0.013198
IEPF Authority	1	45673	0.076122
Total	23021	60000000	100.00

16.2 Top 10 Shareholders as on 31st March, 2023

Name	No. of Shares held	% of total Shares
President of India (Government of India)	54000000	90.0000
The New India Assurance Company Limited	535000	0.8917
Vineet Nahata	163783	.2730
Vineet Nahata	149500	.2492
Vineet Nahata	51667	.0861
Investor Education And Protection Fund Authority	45673	.0761
Kali Kripa Agro Investments Pvt. Ltd.	41027	.0684
The Oriental Insurance Company Limited	40936	.0682
Praveenchand Nahar	33100	0.552
Hasumati Shantilal Memaya Jayesh Shantilal Memaya	32000	.0533

16.3 Distribution of Shareholding by Size as on 31st March, 2023

Category (No. of Shares)	Number of Shares	% of Shareholding	Total number of Shareholders	% of Shareholders
1-500	1852732	3.0879	21246	92.2896
501-1000	815999	1.3600	1019	4.4264
1001-2000	634367	1.0573	421	1.8288
2001-3000	362638	.6044	143	.6212
3001-4000	199636	.3327	56	.2433
4001-5000	212355	.3539	45	.1955
5001-10000	387720	.6462	55	.2389
10001-50000	634603	1.0577	31	.1347
50001-100000	51667	.0861	1	.0043
100001 and above	54848283	91.4138	4	.0174
Total	60000000	100.0000	23021	100.0000

16.4 Corporate Benefits

Dividend History

Year	Interim/Final	Rate (%)	Per Share (₹)	Amount (₹ in lakh)
2013-14			Nil	
2014-15			Nil	
2015-16			Nil	
2016-17			Nil	
2017-18			Nil	
2018-19			Nil	
2019-20			Nil	
2020-21			Nil	
2021-22			Nil	
2022-23			Nil	

16.5 Transfer of Unpaid/ Unclaimed Dividend 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, there was no transfer of amount pertaining to unpaid/unclaimed dividend to the Investor Education and Protection Fund (IEPF)

(b) 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.

During the Financial Year 2022-23, no shares have been transferred to IEPF Authority. As on 31.03.2023, total number of 45673 shares are lying with IEPF Authority.

(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	11419	56671378	94.4523
NSDL	11525	3320850	5.53475
Physical	77	7772	0.012953
Total	23021	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, 2023, 59992228 equity shares forming 99.987% 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

These have been given at 8.1 above.

17. RISK MANAGEMENT

A Risk Management Framework continued to be in place 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.

18. HEDGING

The Company did not take any exposure in volatile commodities/market condition. During the year, guidelines were in place requiring forward foreign exchange cover to be taken in respect of transactions involving STC funds. However, no such transactions were undertaken by the Company.

19. WHISTLE BLOWER POLICY

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 as mentioned above, the Whistle Blower Policy was amended and adopted by the Board of Directors on 28.05.2019.

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 2022-23
Statutory Audit fees	₹ 3,00,000+GST
Tax Audit fees	₹ 1,50,000+GST
Others (including Quarterly review Audit fees)	₹ 3,50,000+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.

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

22. OTHER DISCLOSURES

No funds were 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.

No credit rating had been obtained by the Company along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.

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 the 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 by M/s Parveen Rastogi & Company, 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 Certificate issued by the Secretarial Auditors as noted by the Board and Management Replies to the observations made by the Secretarial Auditors as approved by the Board, forms part of the Directors' Report and annexed hereto

27. COMPLIANCE CERTIFICATE FROM AUDITORS / PRACTICING COMPANY SECRETARY

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

CODE OF CONDUCT

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

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

Dear Sirs/Madam,

This is to certify that:

1. In pursuance of the Regulation 17(5) and Regulation 34(3) specified in Para D of Schedule V Annual Report of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Code of Conduct has been laid down by the Company for all the Board Members and the Senior Management Personnel of the Company.
2. The said Code of Conduct is also uploaded on the website of the Company at **www.stclimited.co.in**.
3. All Board Members and Senior Management Personnel have affirmed having complied with the said Code of Conduct of Board of Directors and senior management, during the year ended 31st March, 2023.

Sd/-
(Hardeep Singh)
Chairman & Managing Director

Place: New Delhi
Date: 07.07.2023

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 of
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-L74899DL1956GOI002674 and having the 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, 2023 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.

Sr. No.	Name Of Director	DIN	Date of Appointment in Company	Date of Cessation in Company
1.	NARESH DHANRAJBHAI KELLA	01176450	30/03/2022	
2.	VIPUL BANSAL	02687229	22/12/2021	
3.	KAPIL GUPTA	08751137	03/06/2020	
4.	SATISH KUMAR CHAWLA	09400987	30/11/2021	
5.	ASHOK KUMAR ASERI	09405164	03/12/2021	
6.	ROHINI SANJAY KACHOLE	09405874	01/12/2021	
7.	DIVAKAR SHETTY KAUP	09407538	30/11/2021	
8.	BHIM SINGH	09407618	01/12/2021	
9.	MANJEET KUMAR RAZDAN	09413663	02/12/2021	
10.	VIVEK ATUL BHUSKUTE	09417992	02/12/2021	
11.	ARTI BHATNAGAR	10065528	13/03/2023	
12.	N.A.N. JEYAKUMAR	08479171	12/06/2019	30.04.2022
13.	SHASHANK PRIYA	08538400	19/08/2019	10.01.2023

Ensuring the eligibility 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 based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**FOR PARVEEN RASTOGI & CO.
(COMPANY SECRETARIES)**

**PARVEEN KUMAR RASTOGI
(PROPRIETOR)
M.NO. F4764
CP. NO. 26582**

**PLACE: NEW DELHI
DATE: 10.08.2023
UDIN: F004764E000817281**

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

TO,
THE MEMBERS OF
THE STATE TRADING CORPORATION OF INDIA LIMITED
JAWAHAR VYAPAR BHAWAN,
TOLSTOY MARG, NEW DELHI-110001

1. We have examined the compliance of conditions of Corporate Governance by **THE STATE TRADING CORPORATION OF INDIA LIMITED** ("the company"), for the financial year ended on March 31, 2023, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations") and as stipulated in the Public guidelines of Department of Public Enterprises (DPE) on Corporate Governance for Central Public Sector Undertakings issued in May 2010.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations and DPE guidelines on Corporate Governance.
3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the Listing Regulations and DPE guidelines on Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations and DPE guidelines on Corporate Governance during the year ended March 31, 2023 subject to the following:
 1. **During the Financial year 2022-23, Risk Management Committee was not in place till 22.06.2022. The Risk Management Committee was constituted on 23.06.2022.**
 2. **Company is not-compliant with Structured Digital Database (SDD) pursuant to provisions of Regulation 3(5) and 3(6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations).**
5. The Corporate Governance Report prepared by The State Trading Corporation of India Limited ("the Company"), contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2023. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.
6. We further state that such compliance certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
7. This Report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the listing Regulations and should not be used for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

**FOR PARVEEN RASTOGI & CO.
(COMPANY SECRETARIES)**

**PARVEEN KUMAR RASTOGI
(PROPRIETOR)
M.NO. F4764
CP. NO. 26582**

**PLACE: NEW DELHI
DATE: 10.08.2023
UDIN: F004764E000819061**

SECRETARIAL AUDIT REPORT**FORM MR-3****FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023**

{Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014}

To,

The Members,

THE STATE TRADING CORPORATION OF INDIA LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provision and the adherence to good corporate practice by **THE STATE TRADING CORPORATION OF INDIA LIMITED** (hereinafter called the "Company") having **CIN L74899DL1956GOI002674**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct /statutory compliances and expressing our opinion thereon.

Based on verification of the Companies book, paper, minute book, form and return 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 the financial year ended 31st March 2023 ('Audit Period') complied with the statutory provision 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 return filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provision of:

- (i) The Companies Act,2013 (the Act) and the rules made thereunder:
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder
- (iii) The Depositories Act,1956 and the Regulation and Bye-laws framed thereunder:
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing, to the extent applicable :
- (v) The following Regulation and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable :-
 - (a) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 ['SEBI (LODR)']
 - (b) The Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulation, 2018 **(Not applicable to the Company during the audit period)**
 - (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011
 - (d) The Securities and Exchange Board of India (Buyback of Securities) Regulation, 2018 **(Not applicable to the Company during the audit period)**
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) regulation, 2014 **(Not applicable to the Company during the audit period)**
 - (f) The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulation, 2008(Not applicable to the Company during the audit period)
 - (g) The Securities and Exchange Board of India (Issue and listing of Non-Convertible and Redeemable Preference Shares) Regulation, 2008 **(Not applicable to the Company during the audit period)**

- (h) The Securities and Exchange Board of India (Prohibition of Insider Trading), 2015
- (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the audit period)**
- (j) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulation, 1993 regarding the Companies Act, 2013 and dealing with client to the extent of securities issued.
- (vi) Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs), 2010 issued by Department of Public Enterprises ('DPE Guidelines').
- (vii) Having regard to the compliance system prevailing in the Company, on the basis of Reports made by Auditors of the Company and the certificates received from the various Department by the Company Secretary Department, we report that the Company has generally complied with the provisions of those Acts that are the company including. The Custom Act, 1962, etc., to the extent of their applicability to the Company.

We have also examined compliances with the applicable clauses /regulation of the following:

- (k) The Secretarial Standard issued by the Institute of the Company Secretaries of India
- (ii) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with the National Stock Exchange of India Limited, During the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standard, etc. as mentioned above.

We further report that:

The Board of Directors of the Company is duly re-constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Director.

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 meetings.

As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that:

There are adequate systems and processes in the Company commensurate with the size and its operations to monitor and ensure compliance with applicable laws, rules, regulation and guidelines.

We further report that during the audit period, the Company has following specific events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

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

**Place: New Delhi
Date: 12.07.2023
UDIN: F004764E000596993**

**Parveen Rastogi
C.P. No. 26582
M.NO. 4764**

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

ANNEXURE TO THE SECRETARIAL AUDIT REPORT

To

The Member,

THE STATE TRADING CORPORATION OF INDIA LIMITED

Our report of event date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the content of the Secretarial records. The verification was done on test basis to ensure the correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. 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 check basis.
4. Our Audit examination is restricted only upto legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same.
5. We have not verified the Correctness and appropriateness of financial records and Books of Accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.
6. The compliance by the Company of applicable financial laws such as direct and indirect tax laws has not been reviewed in this Audit since the same have been subject to review by statutory auditors and other designated professionals and the contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s) agencies/authorities with respect to the Company.
7. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
8. The Secretarial Audit report 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: 12.07.2023
UDIN: F004764E000596993**

**Parveen Rastogi
C.P. No. 26582
M.NO. 4764**

Highlights: Ten Years at a Glance

(₹ in crore)

	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Operating Results										
Sales										
Exports	-	-	-	11.32	10.50	265.54	788.86	1,110.47	1,884.27	1,781.02
Imports	-	-	12.13	2,536.10	8,437.49	10,216.50	6,381.69	8,735.29	12,041.81	13,545.80
Domestic	-	-	234.51	382.55	445.24	343.00	581.61	633.40	471.13	47.16
Total	-	-	246.64	2,929.97	8,893.23	10,825.04	7,752.16	10,479.16	14,397.21	15,373.98
Profits										
Trading	-	-	4.84	8.64	14.92	26.06	35.03	33.11	101.64	182.84
Before tax	37.11	(48.60)	(51.23)	(113.63)	(897.12)	32.25	(148.37)	22.70	31.40	(492.38)
After tax	32.89	(93.97)	(51.23)	(113.63)	(881.08)	37.52	(165.54)	17.86	26.19	(492.20)
Overheads (Note 1)	46.23	53.11	96.50	102.58	135.22	130.74	134.66	134.61	131.76	159.87
Interest Outgo (Net)	(8.14)	(7.85)	(7.76)	(22.83)	91.38	(90.18)	(78.23)	(75.31)	(55.74)	(30.04)
Dividend	-	-	-	-	-	-	-	-	-	-
Net Worth										
Share Capital	60	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00
Reserves	(204.07)	(257.57)	(169.20)	(121.51)	(8.64)	870.81	831.25	996.79	978.92	37.73
Less : Revaluation Reserve	884.60	884.60	884.60	884.60	884.60	884.60	872.05	884.62	897.51	
Total	(1028.67)	(1,082.17)	(993.80)	(946.11)	(833.24)	46.21	19.20	172.17	141.41	97.73
Bank Borrowings	806.23	806.23	806.23	806.23	1,024.24	1,769.59	1,657.08	1,439.44	1,304.14	1,287.80
Working Capital (Note 2)										
Inventories	0.06	0.07	0.04	0.22	0.16	0.25	39.70	0.42	5.50	0.97
Trade Receivables	1069.46	1,066.92	138.25	171.09	120.67	2,220.89	2,112.49	2,640.98	2,425.25	1,968.44
Other (Net)	(1222.17)	(1,292.98)	(1,009.70)	(969.33)	(912.44)	(2,165.03)	(1,988.23)	(2,477.75)	(2,108.23)	(1,841.76)
Total	(152.65)	(225.99)	(871.41)	(798.02)	(791.61)	56.11	163.96	163.65	322.52	127.65

	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Capital Employed	(144.07)	(197.57)	(109.20)	(61.51)	51.36	930.81	891.25	1,056.78	1,038.71	97.42
Significant Ratios										
Trading Profit : Sales (%)	-	-	1.96	0.29	0.17	0.24	0.45	0.32	0.71	1.19
Profit Before Tax : Sales (%)	-	-	(20.77)	(3.88)	(10.09)	0.30	(1.91)	0.22	0.22	(3.20)
Profit Before Tax : Networth (%)	-	-	5.15	12.01	107.67	69.79	(772.76)	13.18	22.20	(503.82)
Sales : Capital Employed (Times)	-	-	(2.26)	(47.63)	173.15	11.63	8.70	9.92	13.86	157.81
Inventories : Sales (%)	-	-	0.02	0.01	0.00	0.00	0.51	0.00	0.04	0.01
Trade Receivables : Sales (%)	-	-	56.05	5.84	1.36	20.52	27.25	25.20	16.85	12.80
Overheads : Sales (%)	-	-	39.13	3.50	1.52	1.21	1.74	1.28	0.92	1.04

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

Note 2 : Excludes Non Current Items from 2011-12 onwards, and from FY 2021-22 onward, due to change in accounting policy on non-going concern basis, all the non-current assets and non-current liabilities have been grouped as current assets and current liabilities.

Note 3 : Figures from 2017-18 are as per IND-AS.

Standalone Financial Results 2022-23



Independent Auditor's Report

To Members of The State Trading Corporation of India Limited

Report on the Audit of the Standalone Financial Statements

We have audited the accompanying standalone financial statements of The State Trading Corporation of India Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Profit (including Other Comprehensive Income), the statement of changes in Equity and the Standalone Cash Flow Statement for the year then ended, notes to the Standalone financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "The Standalone Financial Statements").

Qualified Opinion

In our opinion and because of the various issues as mentioned in the Basis for Qualified Opinion paragraphs, the aforesaid Standalone Financial Statements except for the qualified opinion give the information required by the Companies Act 2013 ("the Act") in the manner so required and present a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian 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 31st March 2023 and its net profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

1. Non-Current Assets held for Sale

- i. We draw your attention to Note No. 2(ii) regarding management decision to continue the company as non-operating company for the time being and to prepare the accounts from the financial year 2021-22 onwards as per non-going concern basis. Thus, there has been change in the significant accounting policies of the Company and the presentation of financial statements.

As per Note No. 3.1 (e) in the Notes to accounts it is further stated that the financial statements for the year 2022-23 have been prepared on realization basis (non- going concern assumption) and the non-current assets have been classified as held for sale. Therefore, all the assets held for sale have been carried at their estimated realizable values. However, all the non-current assets held for sale i.e. Property, Plant and Equipment in absence of any report for realizable value have been stated at their respective historical values/carrying values as per books of accounts as on 31.03.2023 and not on realization basis. **This is non-compliance of the accounting policy No. 3.1 (e) of the Company and we are unable to comment upon the impact of the same on the financial statements.**

Further there is also non-compliance of requirements of IND AS-105.

As per IND AS-105, "Non -Current Assets held for Sale and Discontinued Operations", it requires that asset that meet the criteria to be held for sale should be measured at lower of carrying amount and fair value less costs to sell and to be separately presented in the Balance Sheet and also result of discontinued operations to be presented separately in the Statement of Profit and Profit.

However, no fair value estimation of the non-current assets held for sale have been carried out as on 31st March, 2023 but is said to be under process. Thus, there is also non-compliance of IND AS 105 applicable to the Company.

- ii. Refer to Note No.4(a) of Standalone Financial Statements, non-availability of title deeds in the name of the company in respect of following properties namely:

a) Leasehold Building

- i. Leasehold land at Jawahar Vyapar Bhawan valued at ₹ 55,929 lacs
- ii. Leasehold land at Housing Colony at Aurobindo Marg valued at ₹ 12,394 lacs
- iii. Plot at Mallet Bunder, Mumbai Port Trust valued at ₹ 11.67 lacs

b) Freehold Building

- i. 8 Residential Flats at Asian Games Village Complex, allotted by DDA amounting to ₹ 2720 lacs
- ii. 7 apartments in different locations of Mumbai amounting to ₹ 1918 lacs

Further, lease period for plot at Mallet Bunder, Mumbai Port Trust has already expired and the land has been handed over to Mumbai Port Trust. Surrender certificate has been executed on 12.11.2021. But this still continues to be shown as non-current assets held for sale. Thus, non-current assets held for sale has been overstated by ₹ 1167 lacs. It will also have consequential impact on the Statement of Profit and Profit account resulting into **overstatement of profit by ₹ 11.67 lacs.**

Further the farm tanks installed at Mallet Bunder amounting to ₹ 14.84 lacs have also been handed over on as is where is basis. The company has not raised any debit note for the same and thus non-current assets are being **overstated by ₹ 14.84 lacs.**

Further, company has not amortised the value of the leasehold properties according to the IND AS 116 for the period expired till 31.03.2023 resulting into overstatement of non-current assets held for sale and consequential impact on profit of the company, the amount whereof could not be quantified in absence of complete data from the Company.

- iii. Refer Note No. 4, for non-adjustment of value/area in Fixed Assets Register against areas acquired by Delhi Metro Rail Corporation (DMRC) for construction of Metro Station & by L&DO for widening of the Road during Asian Games, as well as the flats/area of land sold by the company to The Handicrafts and Handloom Exports Corporation of India Limited (HHEC) for its Housing colony. Management is in correspondence with DMRC and concerned departments.

This has resulted into overstatement of non-current assets held for sale and consequential impact on profit of the company, the amount whereof could not be quantified in absence of complete data from the Company.

2. Trade Receivables

All trade receivables amounting to 1,69,673.80 lacs as per Note No. 9 have been outstanding for more than 3 years. The Company has made provision for bad and doubtful debts amounting to ₹ 62,727.62 lacs and another sum of ₹ 68,027.84 lacs have been shown as "Having Significant increase in credit risk" since the same is under litigation. As per Note No.9, it is explained that no provision has been made for the same since the relevant creditors will be paid only after recovery of these trade receivables, though in most of the cases agreements are not tripartite.

Further there has been no recovery during the Financial Year 2022-23 and there is no major update of legal cases which are pending at various forums. Thus trade receivable do not seems to be stated at realisable value less cost to be incurred to recover these trade receivables. There is also no balance confirmation available for these trade receivables as on 31.03.2023 and hence we are unable to comment upon the genuineness and effect of the same on the financial statements, if any.

We are of the view that all trade receivables amounting to 1,69,673.80 lacs are considered doubtful of recovery resulting into short provision for doubtful debts amounting to ₹ 1,06,946.18 lacs. Thus the provision for bad and doubtful debts has been understated by ₹ 1,06,946.18 lacs and consequential impact on the statement of profit and profit account resulting into overstatement of profit by ₹ 1,06,946.18 lacs.

Further in case of M/s Rajat Pharmaceuticals Ltd (RPL), under note no.39, who drew bills of exchange on STC which were accepted upon receipt of overseas buyer's pre-acceptance to STC's bills of exchange. However, the foreign buyers defaulted in making payments against the export bills and have gone into liquidation. A sum of ₹527.86 crores has been admitted by the liquidator of one of the foreign buyer's i.e. Loben Trading Co. Pte. Ltd, Singapore. A Decree of ₹ 62.47 crores approx. has been passed by Hon'ble Bombay High Court in favour of STC against the dues from another foreign buyer i.e Sweetland Trading Pte Ltd., Singapore. As of current date, RPL has gone into liquidation and official liquidator is appointed by Hon'ble High Court of Bombay. The matter is also under investigation by CBI. Banks & Financial institutions have filed legal suit against RPL before DRT making STC also a party to the case claiming ₹ 476.47 Crore. Also refer to Note No. 39, for matters other than RPL, as all these matters are sub-judice and/or under investigation of CBI and we are unable to comment upon the genuineness and effect of the same on the Financial Statements.

3. Borrowings

- i. Refer to Note No. 20, the view of the default by the company in paying due to interest amount to the banks, STC was declared NPA. The lender banks have initiated DRT proceedings against the company. The memorandum of the OTS (MOTS) proposal with lender banks is still in progress and is in line with the minutes of the high-level meeting held in 29.08.2019 and the further clarificatory letter dated 13.10.2020 of the Administrative Ministry. The liability towards banks is proposed to be settled by the way of transfer of title of identified property worth ₹300 crore on "as is where is basis" as a full and final settlement.

The lead bank (Canara Bank) has given two options to the company: -

1. Execution of equitable mortgage in favour of the lead bank at Delhi so that lenders can legally proceed for sale of properties mentioned in the Settlement Agreement with the authority to sell and realise the sale amount.
2. As joint suit is pending before the DRT-II, Delhi, the lenders shall proceed before DRT in execution of the consent decree for the accepted OTS amount of ₹ 300 cr.

The decision making is pending with STC to convey their acceptance of suitable option for moving the MOTS ahead subject to seeking opinion from senior Government advocate. Pending settlement of OTS, the company has not provided any interest further in its financial statements since 01.04.2021.

- ii. Considering the fact that correspondence has been made by Canara Bank and STC in respect of the MOTS of Borrowings, the Borrowings have been crystallized at ₹ 30,000 lacs on as is where is basis. However, contrary to this, borrowings have been reflected at ₹ 80,623.24 lacs as against 30,000 lacs, thereby overstating the borrowings to the extent of ₹ 50,623.24 lacs. The management is of the opinion that the matter is still in discussion stage.

This is also non-compliance of IND AS -109 as well as IND AS -10 (regarding events occurring after Balance Sheet date) by not taking into consideration the accounting effects of the events occurring after the balance sheet date regarding crystallization of bank loan amount at ₹ 30,000 lacs.

4. Foreign Currency Receivables and Payables

Currently, as per books of accounts, USD 3,149.35 lacs and Euros 20.90 lacs is receivable from its foreign buyers and USD 1665.41 lacs and Pound 0.04 lacs is payable to its foreign suppliers. In nutshell, there are foreign buyers and creditors standing in the financials of STC which have not been revalued in the FY 2022-23, the potential impact of which is huge.

Thus, the Company has not complied with Ind AS 21 (regarding Effects of Changes in Foreign Exchange) by not revaluing the carrying amounts, in most cases, of foreign currency receivables and payables which are under litigation/disputed.

Therefore, we are unable to ascertain the potential impact on the financial statements, if any.

5. Deferred tax Assets (Net)

Refer Note No. 12, the Company has MAT credit of ₹ 1367.36 lacs. Reversal of MAT credit was also raised by the CAG auditors for the FY 2020-21. But still the MAT credit has not been reversed and this has resulted into overstatement of profit by 1367.36 lacs and overstatement of Current assets by ₹ 1367.36 lacs. The company is hopeful of profits in future years so reversal of MAT credit is not done.

6. Other Current Assets

- i. Refer Note No. 14 –“Other Current Assets for non-provisioning in respect of Duties and taxes recoverable, CST (coal) amounting to ₹ 6.89 lacs which is non recoverable and still not written off.

- ii. Refer Note No. 11- Other Financial Assets -Claims Recoverable for non-provisioning in respect of Claims Recoverable o/s since last many financial years amounting to 1951.35 lacs where no present status could be ascertained by the management of the Company and still not written off.

This is non-compliance of IND AS -36 as no provision has been made for impaired assets.

All these current assets are being reflected at their carrying amounts instead of on realization values.

This has resulted into overstatement of Current assets by ₹ 1951.35 lacs and overstatement of profit by ₹ 1951.35 lacs.

7. Provisions

Refer Note No. 38, for non-provision of a demand of ₹ 4,743 lacs out of total demand received from Land and Development Office - New Delhi amounting to ₹ 13,283 lacs (for the period March, 2004 to July, 2018) which has resulted in overstatement of profit by ₹ 4,743 lacs and understatement of liabilities. However, it has been shown as contingent liability. Also, company has not provided for interest accruing on the said demand amount (to be calculated at the rate of 10%) approx. The matter is under correspondence with L&DO office and no provision is made for the year 2022-23 in the accounts.

8. Trade Payables

All the trade payables amounting to ₹ 1,11,708.55 lacs are without any balance confirmation and are outstanding for more than 3 financial years.

No amount is payable to these parties as these are suppliers who have entered into legal agreement with STC wherein no amount is payable to them until and unless the amount is recovered from the foreign buyer. Thus, the management has not accorded any treatment to these trade payables and to that extent, liabilities are overstated.

9. Statutory Dues

GST

The GST input receivable and payable balances are not reconciled by the Company as on March 31,2023. GST input

₹ 78.81 lacs - seems non claimable but no provision has been made. Profit of the company is overstated by the same amount.

Tax Deducted at Source

TDS deducted will be reconciled with form 26AS at the time of submitting Income Tax return, as on the date of report the complete information is not available.

No provision has been made for TDS default of ₹ 8.89 lacs pending, submission of correction statements.

10. Other Observations

Refer Note No. 24, customer at credit includes amount payable to U.P. Government amounting to ₹ 603 lacs. As informed by the management, Branch has made various other claims on U.P Government and accordingly dues of ₹ 3911 lacs is recoverable from U.P. Government for which debit note dated March 10, 2014 was raised. However, the said claim was not recognized in the standalone financial statements of the branch till date, as its ultimate collection was not certain. In absence of information on acceptability of the said claim by the UP Government, we are unable to ascertain its possible impact, if any, on the standalone financial statements of the Company.

It seems that the financial statements have not been prepared on realization basis as mentioned in the accounting policies. All non-current assets held for Sale and other current assets have been stated at their carrying amounts as appearing in the books of accounts without making any exercise by the management to determine the realizable value of each current asset.

The impact of the following observations is not ascertainable:-

- i. Refer to Cases and Disputes and matters under Litigation and amounts covered under Contingent Assets and Contingent Liabilities, since majority of the matters are subjudice, it is not possible to quantify the liabilities and the interest obligation if any on these cases.
- ii. Refer to Claims recoverable from HHEC, co-owner to the property at Jawahar Vyapar Bhawan, who have not paid their share of expenses to STC since last many years amounting to ₹ 970.92 lacs as on March 31, 2023. The matter is said to be under correspondence with HHEC.

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 Standalone 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.

Emphasis of Matters:

- a. Refer Note No. 38(ii), Contingent Liabilities which includes an amount of ₹ 1.33 Crores in respect of pending sales tax liability. The Company has not complied in carrying out corrective actions as suggested by Government Audit Party (GAP) for F.Y. 2014-15 in the accounts as on 31st March, 2016 and for F.Y. 2015-16 in the accounts as on 31st March, 2017 amounting to ₹ 0.19 Crores and ₹ 1.11 Crores respectively.
- b. Refers to Note No.38, in respect of litigation matters, their present status and provisioning, if any, required and on-going investigations into the alleged irregularities; further, the Company's past operations have exposed it to the risk of extensive litigation and contractual claims from third parties with increased litigation costs not fully provided for. Due to the range of potential outcomes, voluntary retirement of employees dealing with these cases and the significant uncertainty around the resolution of various claims, the amount of ultimate liabilities, if any, to be recorded in the statements as provision is not ascertainable.

Our opinion is qualified in respect of these above matters.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone 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.

S.No.	Particulars	Description	Procedures applied for audit
1.	Evaluation of uncertain tax positions and contingent liabilities	The company has uncertain material tax positions and contingent liabilities including matters under dispute which involves significant judgment to determine the possible outcomes of these disputes.	In response to this key matter, our audit included, amongst other principal audit procedures: <ul style="list-style-type: none"> - 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, 2023 from management. - We involved in the detailed discussions with the management for underlying assumptions in estimating the tax provisions 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 March 31, 2023 to evaluate whether any change was required to management's position on these uncertainties.
2.	IT systems and controls over Financial Reporting	We identified IT systems and controls over financial reporting as a key audit matter for the Company because its financial accounting and reporting systems are fundamentally reliant on IT systems and IT controls to record it in books. Automated accounting procedures and IT environment controls, which include IT governance, IT general controls over program development and changes, access to program and data and IT operations, IT application controls and interfaces between IT applications are required to be designed and to operate effectively to ensure accurate financial reporting.	In response to this key matter, our audit included, amongst other principal audit procedures: <ul style="list-style-type: none"> • Assessed the complexity of the IT environment by through discussion with the head of IT and internal audit and identified IT applications that are relevant to our audit. • Assessed the design and evaluation of the operating effectiveness of IT general controls over program development and changes, access to program and data and IT operations by engaging IT specialists. • Performed inquiry procedures at the Company in respect of the overall security architecture and any key threats addressed by the Company in the current year. • Assessed the design and evaluation of the operating effectiveness of IT application controls in the key processes impacting financial reporting of the Company by engaging IT specialists. • Assessed the operating effectiveness of controls relating to data transmission through the different IT systems to the financial reporting systems.

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Annual Report on CSR activities, Report on Corporate Governance, Secretarial Auditor's Report Information, but does not include the standalone financial statements and our auditor's report thereon. The Management Discussion and Analysis, Annual Report on CSR activities, Report on Corporate Governance, Secretarial Auditor's Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available to us and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read such other information as and when made available to us and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors are 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 Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. 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.

Management has prepared these financial statements on non-going concern basis as per decision of the Board of Directors.

Board of Directors are also responsible for overseeing the Company's financial reporting process. However it is to point out that there are no Full Time Working Directors in the Company as on 31st March, 2023 and the Company is functioning only with the assistance of Independent Directors and Director (Finance) on Additional Charge.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 non-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.

However the financial statements of the Company have been prepared on non-going concern basis as decided by the Board of Directors.

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 and importance 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.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, 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 for the matters referred in "Basis for Qualified Opinion"- **Impact of which is partly non-ascertainable**, which to the best of our knowledge and belief were necessary for the purposes of our audit and if not, the details thereof and the effect of such information on the financial statements.
 - ii. In our opinion, proper books of account as required by law have been kept by the Company, except for the matters referred in "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 Agra branch which have been prepared in Delhi only.
 - iii. The Balance Sheet, the Statement of Profit and Profit including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account. We have not visited any branch offices of STC as we were informed that all Branches are closed and no activities are carried out from these Branches. The audit was conducted remotely by us from Corporate Office of STC at New Delhi.
 - iv. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards, except for the para (b) of Basis for Qualified opinion, specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
 - v. 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.
 - vi. Pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Act are not applicable to the Company, being a Government Company;
 - vii. 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**". **Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.**
 - viii. Pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Companies Act, 2013, are not applicable to the Company, being a Government Company; and
 - 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has not been able to disclose the impact of pending litigations on its financial position in its financial statements, refer note 38 & 39 to the financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable profits.
 - c. During the year, the Company has made no transfer to Investor Education and Protection Fund due to heavy accumulated profits. Therefore, question of delay in transferring amounts, required to be transferred, by the Company does not arise.
 - d. i) The respective Management of the Company, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, other than as disclosed in notes to accounts, no funds (which are material either individually or in the aggregate)

have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ('Intermediaries') with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- ii) The respective Management of the Company, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ('Funding Parties') with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, whose financial statements have been audited under the Act, nothing has come to our attention that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e) as provided under (a) and (b) above, contain any material misstatement.

e. There has been no dividend declared during the year.

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 **TIWARI & ASSOCIATES**

CHARTERED ACCOUNTANTS

FRN No. 002870N

Sd/-

(SANDEEP SANDILL)

Partner

Membership No.085747

UDIN: 23085747BGZERD5063

Place: New Delhi

Date: 23.05.2023

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

Referred to Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of Independent Auditor's Report of even date to the members of The State Trading Corporation of India Limited on the Standalone Financial Statements for the year ended 31st March 2023.

1. Fixed Assets

- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. (Assets held for Disposal). However, the records are in the process of being updated for the financial year under audit. Fixed Assets register is under finalization.
- The company has a Programme of conducting physical verification of items of fixed assets in a phased manner. The physical verification report of all branches have been received however Physical Verification report of Corporate office (New Delhi) is not provided by company .
- 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 cases as below :

Location	Description	Held in the name of	Audit observations	Gross Block/ Revalued amount (₹ in Crore)	Net Block (in crore)
New Delhi	Lease hold Land at Tolstoy Marg, Jawahar Vayapar Bhawan, New Delhi. Area: 2.599 acres	President of India	Execution of lease deed is pending since 1975. Further, out of total area, physical position of land measuring 714.60 sq mtrs is not now with STC (i.e. 388.91 sq mtrs. acquired by DMRC for construction of Metro and 325.69 sq mtrs. by NDMC for widening of the Road during Asian Game) and value the same has not been uploaded in FAR / FAS. Measurement for area under physical position is yet to be done.	581.88	559.29
New Delhi	STC / MMTC Housing Colony, Aurobindo Marg, New Delhi Area: 16.17 acres	President of India	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.	125.57	123.94
New Delhi	Flats at AGVC, Khel Gaon Marg, New Delhi. Area: 8 flats measuring 14424 sq fts	President of India	Execution of lease / conveyance deed is still pending.	27.45	27.20
Mumbai	7 nos. of Flats (refer foot note of note no.4 Area: 7997 sq fts	President of India	Execution of lease / conveyance deed is still pending.	29.35	19.18
Mumbai	Mallet Bunder Area: 11586.96 sq meters approx	President of India	Lease deed expired since 2016 and the company has surrendered the plot , certificate being executed on 12.11.2021	36.72	11.67

All the aforesaid properties have been held in the name of the promoter i.e. President of India. No valid reason could be obtained by the management as to why title deed has not been executed in the name of STC.

- According to the Information and explanations given to us and on the basis of the examination of the record of the Company, the Company has not revalued its Property, Plant and Equipment (now classified as "Assets held for disposal" or intangible assets or both) during the year.

- e) Original title deeds of 1 Ahmedabad, 18 Mumbai flats are not available with the company, however photocopies and true copies are available with the company.
- f) According to the Information and explanation given to us and on the basis of the examination of the record of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2. Inventories and Working Capital Limits

Since the Company does not have any tradeable inventory, this item is not applicable.

However, the Company has stock of stationery/Stores and spares which does not have any significant value and has been physically verified by the Company.

- 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 Act, 2013 ('the Act'). Accordingly, clauses (iii) (a), (b) & (c) of paragraph 3 of the Order are not applicable to the Company.
- 4. According to the information and explanations given to us, the Company has not given any loans, or made any investments or provided any guarantees or security to the parties covered under sections 185 and 186 of the Act. Accordingly, paragraph 3 (iv) of the Order is not applicable to the Company.
- 5. The Company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under. Thus clause (V) of Paragraph 3 of the order is not applicable to the Company.
- 6. We have been explained that the Central Government has not prescribed the maintenance of cost records for the services of the Company under Companies (Cost Records and Audit) Rules, 2014, prescribed by the Central Government under Section 148 of the Companies Act, 2013. Accordingly, this clause of the order is not applicable to the Company.

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, the company is regular in depositing undisputed 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 which may be applicable to the Company. According to information and explanation given to us there are no outstanding undisputed statutory dues as referred above as at the last day of the financial year under audit for a period of more than six months 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 2023 by the company, on account of any dispute are as under (refer Note no.38(ii) in financial statements)

Name of Statute	Nature of Dues	Period to which Amount relates	Forum where dispute is pending	Amount (in crores)
Customs Act	Custom Duty	2011-12	CESTAT, Ahmedabad	1.69
Customs Act	Customs	-	Commissioner (Appeals), Mumbai	0.06
Custom Act	Custom Duty	2017-18	CESTAT, Chennai	4.16
Sales Tax	Sales Tax	1986-87	Kerala High Court	0.50
Orissa Sales Tax Act	Sales tax	1988-89	Commissioner (Appeals), Orissa	0.01
Bihar Sales Tax Act	Sales tax	1989-90	Sales Tax Appellate Tribunal	0.01
Central Sales Tax Act	CST, WB	2003-04	Joint Commissioner, Sales Tax	0.23
West Bengal Vat Act / Central Sales Tax Act	WBVAT CST, WB	2011-12	Joint Commissioner, Commercial Tax	0.02
Central Sales Tax Act	Central Sales Tax Act	1993-94 1994-95 1995-96	Hon'ble Assam High Court	0.02
Maharashtra Sales Tax Act	Sales Tax	1992-93 1996-97	Maharashtra Sales Tax Tribunal	0.74
Maharashtra Sales Tax Act	BST, CST & MVAT	1993-94 2000-01 2003-04 2006-07	Joint Commissioner, Sales Tax	47.69
Maharashtra Sales Tax Act	BST, CST & MVAT	2004-05 2009-10 2011-12	Joint Commissioner, Sales Tax	390.36
Maharashtra Sales Tax Act	TDS on Work Contract	2012-13	Sales Tax Appellate Tribunal, Mumbai	0.21
TNGST/AST/CST	Sales Tax	1974-75, 1975-76, 1985-86 to 1987-88, 1989-90 & 1991-92	Hon'ble Madras High Court	0.83
Service Tax				
Finance Act, 1994	Service Tax	2005-06 - 2006-07	CESTAT (Stay Granted)	7.28
Finance Act, 1994	Service Tax	01.04.2012-31.03.2015	CESTAT	4.37
Finance Act, 1994	Service Tax	2007-08 - 2016-17	CESTAT	6.02
Finance Act, 1994	Service Tax	01.04.2011-31.03.2012	Service Tax Appellate Tribunal	0.13
Finance Act, 1994	Service Tax	01.10.2004-31.03.2011	Supreme Court, Delhi	16.53
Finance Act, 1994	Service Tax	01.04.2015-30.06.2017	Joint Commissioner of CGST & Central Excise Mumbai	1.24
Certificate Dues Liability				
BPDRA	Certificate Dues Liability	1971-72, 1976-77 to 1978-79	Concerned Department	0.0633

8. The Company does not have any transactions to be recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

9. In our opinion and according to the information and explanations given to us, the company has defaulted in repayments of loans/borrowings to Bank (refer note no.20 & Basis of qualified opinion section of our audit report). However, the company has outstanding loans/ borrowing from financial institutions but not from Government or dues to debenture holders.

Lender-wise details of sum defaulted by company & period of default is as follows-

Name of Banks	Amount of Instalments and interest overdue	Period of Default as on 31.03.2023 (in days)
Syndicate Bank	280.71	1825 Days
Indian Overseas Bank	188.02	1825 Days
Union Bank of India	140.72	1856 Days
Indian Bank	94.81	1856 Days
Exim Bank	74.43	2372 Days
Bank of Baroda	26.27	1744 Days
UBI (Kumily)	1.28	1856 Days
TOTAL	806.24	

10. Based upon the audit procedures performed and the information and explanations given by the management,
- the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
 - According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year under review in terms of provisions of section 42 and Section 62 of the Companies Act,2013.
11. i. According to the information and explanations given to us and as represented by the management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, frauds by the ex-employees of the Company have been noticed which are in litigation since last few years.
- We are informed that there are 11 cases filed since last few years at various forums by CBI and other bodies involving fraud perpetrated by Staff of STC on others. No amount has been quantified by the Management as these cases are said to be subjudice.
- To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
 - No whistle blower complaints have been noticed to be received by the Company during the year.
12. As per notification no. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to the Government Companies. Accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.
13. The Company is not a Nidhi Company and therefore paragraph 3(xii) of the Order related to such Companies is not applicable to the Company.
14. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standard. (Refer Note No.47)
15. As per records of the company and according to information and explanations given to us by the management, the company has not entered into any non-cash transactions with directors or persons connected with them & hence the above clause is not applicable.
16. The company is not required to be registered under section 45-IA of Reserve Bank of India Act,1934.
17. The Company has not incurred cash loss during the financial year covered by our audit but there were cash loss during the immediately preceding financial year.
18. Statutory Auditors of the Company are appointed by C&AG of India every year.

19. According to our view, Since the company has ceased its business operations and prepared the financial statements on a non-going concern basis, material uncertainty exists as on the date of audit report. There are a number of legal cases regarding trade receivables and the borrowings from bank amounting to ₹ 80,623 lacs which are NPAs since long indicating that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date.
20. Since the Company has huge accumulated losses and is not a going concern, it is not required to spend any amount on CSR and the question of any amount being transferred to Corporate Social Responsibility (CSR) does not arise. Therefore, reporting under the said clause (xx) of the order is not applicable to the Company.

For **TIWARI & ASSOCIATES**

CHARTERED ACCOUNTANTS

FRN No. 002870N

Sd/-

(SANDEEP SANDILL)

Partner

Membership No.085747

UDIN: 23085747BGZERD5063

Place: New Delhi

Date: 23.05.2023

“Annexure B” to INDEPENDENT AUDITOR’S REPORT

Referred to Clause (vii) of Paragraph 2 under the heading of “Report on Other Legal and Regulatory Requirements” of Independent Auditor’s Report of even date to the members of The State Trading Corporation of India Limited on the Standalone Financial Statements for the year ended 31st March 2023.

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

We have audited the internal financial controls over financial reporting of **The State Trading Corporation of India Limited** (“the Company”) as of March 31, 2023 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

- a) 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 used by company.
- b) Lack of effective scrutiny of accounting ledgers as far as o/s liabilities/Claims recoverable/Security Deposits is seen as they are not updated .
- c) Manner of maintenance of Fixed Assets Schedule & register need to be strengthened.
- d) Lack of proper contract management is noticed. Irrespective of completion of contracts the EMD/Security deposits are still being withheld in the books by the company.
- e) Lack of control over the renewal of Rent/lease Agreements on timely basis. There are numerous of agreements which have not been renewed over a long period.
- f) Ineffective implementation of accounting policy in balance confirmation of trade receivable & vendor balance, is noticed. The balances outstanding in the trade receivable account cannot be reconciled in customers' books as balance confirmations are not obtained and available for these customers.
- g) As there are no proper Full Time working Directors in the Company, and there is also lack of Senior management personnel in the Company, all decisions and matters requiring immediate attention are kept on hold and there is ineffective management control in the Company.

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 objectives of the control criteria, in all material respects, an adequate internal financial controls system over financial reporting and such internal financials controls over financial reporting were operating effectively as at 31st March, 2023, 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, 2023 standalone financial statements of the Company, and these material weaknesses are not likely to affect our opinion on the standalone financial statements of the Company.

For **TIWARI & ASSOCIATES**
CHARTERED ACCOUNTANTS
FRN No. 002870N

Sd/-

(SANDEEP SANDILL)

Partner

Membership No.085747

UDIN: 23085747BGZERD5063

Place: New Delhi

Date: 23.05.2023

Annexure- 'C' to the INDEPENDENT AUDITORS' REPORT

Referred to Paragraph 3 under the heading of "Report on Other Legal and Regulatory Requirements" of Independent Auditor's Report of even date to the members of The State Trading Corporation of India Limited on the Standalone Financial Statements for the year ended 31st March 2023.

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.	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.
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? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	<p>The company is in the process of "One time settlement" (OTS) with the Lender Banks for the dues of banks for which Company is in continuing default.</p> <p>The lender banks have initiated DRT proceedings against the company. The memorandum of the OTS (MOTS) proposal with lender banks is still in progress and is in line with the minutes of the high-level meeting held in 29.08.2019 and the further clarificatory letter dated 13.10.2020 of Ministry. The liability towards banks is proposed to be settled by the way of transfer of title of identified property worth ₹300 crore on "as is where is basis" as a full and final settlement.</p> <p>However, as per the recent correspondence between Canara Bank and STC dated 22.04.2023, the lender bank has given two options to the latter:-</p> <ol style="list-style-type: none"> 1. Execution of equitable mortgage in favour of the lead bank at Delhi so that lenders can legally proceed for sale of properties mentioned in the Settlement Agreement with the authority to sell and realise the sale amount. 2. As joint suit is pending before the DRT-II, Delhi, the lenders shall proceed before DRT in execution of the consent decree for the accepted OTS amount of ₹ 300 cr. <p>The decision making is pending with STC to convey their acceptance of suitable option for moving the MOTS ahead.</p> <p>Pending settlement of OTS, the company has not provided any further interest in its financial statements for the current year 2021-22.</p>
3.	Whether the fund received/receivable for specific schemes from Central/State agencies were properly accounted for/ utilized as per its terms and condition? List the cases of deviation.	As per information & explanation given to us, the Company has not received any fund under any scheme of the Central/State Government during the year under report.

For **TIWARI & ASSOCIATES**
 CHARTERED ACCOUNTANTS
 FRN No. 002870N

Sd/-
(SANDEEP SANDILL)
 Partner
 Membership No.085747
 UDIN: 23085747BGZERD5063
Place: New Delhi
Date: 23.05.2023

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, 2023 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 our knowledge and belief we have complied with all the directions/sub-directions issued to us.

For **TIWARI & ASSOCIATES**
CHARTERED ACCOUNTANTS
FRN No. 002870N

Sd/-
(SANDEEP SANDILL)
Partner
Membership No.085747
UDIN: 23085747BGZERD5063
Place: New Delhi
Date: 23.05.2023

BALANCE SHEET AS AT MARCH 31ST, 2023

(₹ in Lacs)

	Note No.	As at 31 st March, 2023	As at 31 st March, 2022
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	4	-	-
(b) Capital work-in-progress	5	-	-
(c) Investment property	6	-	-
(d) Other intangible assets	7	-	-
(e) Financial Assets :			
(i) Investments	8	-	-
(ii) Trade receivables	9	-	-
(iii) Loans	10	-	-
(iv) Other Financial Assets	11	-	-
(f) Deferred tax assets (net)	12	-	-
(g) Other non-current assets	14	-	-
Sub total		-	-
Current Assets			
(a) Inventories	15	5.82	7.06
(b) Financial Assets :			
(i) Investments	8	1.04	1.04
(ii) Trade receivables	9	1,06,946.18	1,06,691.79
(iii) Cash & cash equivalents	16	859.25	2,842.15
(iv) Bank Balances other than (iii) above	17	-	-
(v) Loans	10	3,574.61	3,628.80
(vi) Other Financial Assets	11	30,149.24	24,620.70
(c) Tax Assets (Net)	13	2,654.87	2,310.97
(d) Other Current Assets	14	1,167.51	1,154.76
(e) Deferred tax assets (net)	12	1,367.36	1,347.81
(f) Non Current Assets held for Sale / Disposal		87,127.71	87,127.99
Sub total		2,33,853.59	2,29,733.07
Total Assets		2,33,853.59	2,29,733.07
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	18	6,000.00	6,000.00
(b) Other Equity	19	(20,406.63)	(25,757.22)
Sub total		(14,406.63)	(19,757.22)
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	-	-
(ii) Trade payables -MSME		-	-
(iii) Trade payables -Others	21	-	-
(iv) Other Financial Liabilities	22	-	-
(b) Provisions	23	-	-
(c) Other non-current liabilities	24	-	-
Sub total		-	-
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	80,623.24	80,623.24
(ii) Trade payables -MSME		-	-
(iii) Trade payables -Others	21	1,11,708.55	1,11,960.60
(iv) Other Financial Liabilities	22	39,945.35	39,677.68
(b) Provisions	23	15,083.62	16,306.99
(c) Other current liabilities	24	899.46	921.78
Sub total		2,48,260.22	2,49,490.29
Total Equity and Liabilities		2,33,853.59	2,29,733.07

Significant Accounting Policies and the accompanying notes 1 to 57 form an integral part of accounts.

As per our report of even date attachedFor **Tiwari & Associates**

Chartered Accountants

Firm Reg. No. 002870N

Sd/-

(CA. Sandeep Sandill)

Partner

M. No. 085747

Sd/-

(K.K. Gupta)

Director Finance - MMTC

Additional Charge of STC,

DIN -08751137

Sd/-

(VIPIN TRIPATHI)

Company Secretary

ACS -29378

Sd/-

(S.K.Chawla)

Independent Director

DIN-09400987

Sd/-

(Hardeep Singh)

CMD

DIN -09778990

Sd/-

(B.S.Rao)

CFO

Place: New Delhi

Dated: 23.05.2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31ST, 2023

(₹ in Lacs)

	Note No.	As at 31 st March, 2023	As at 31 st March, 2022
Income			
i) Revenue from Operations	25	-	-
ii) Other Income	26	8,503.78	7,735.64
Total Income		8,503.78	7,735.64
Expenses			
i) Cost of materials consumed	27	-	-
ii) Purchases of Stock in trade	28	-	-
iii) Change in Inventory	29	-	-
iv) Employees' Benefit Expenses	30	3,475.06	4,090.70
v) Finance Cost	31	193.94	194.09
vi) Depreciation & Amortization Expenses	32	-	-
vii) Other Expenses	33	1,147.87	1,220.65
Total expenses		4,816.87	5,505.44
Profit before exceptional items and tax		3,686.91	2,230.20
Exceptional Items -Expense/(Income)	34	(24.18)	7,089.93
Profit Before Tax		3,711.09	(4,859.73)
Tax expense	35		
(i) Current tax		421.95	-
(ii) Tax related to earlier years		-	(2,763.77)
(iii) Deferred tax		-	7,300.72
Profit for the Year from continuing operations		3,289.14	(9,396.68)
Profit/(loss) from discontinued operations		-	-
Tax expense of discontinued operations		-	-
Profit from discontinued operations after tax		-	-
I Profit for the Year		3,289.14	(9,396.68)
II Other Comprehensive Income			
i) Items that will not be reclassified to profit or loss			
– Re-measurements of the defined benefit plans		2,061.45	559.20
Less: Income Tax on Above		-	-
ii) Items that will be reclassified to profit or loss		-	-
Other Comprehensive Income		2,061.45	559.20
Total Comprehensive Income for the Year		5,350.59	(8,837.48)
Earnings per equity share :			
(1) Basic		8.92	(14.73)
(2) Diluted		8.92	(14.73)

Significant Accounting Policies and the accompanying notes 1 to 57 form an integral part of accounts.

As per our report of even date attachedFor **Tiwari & Associates**

Chartered Accountants

Firm Reg. No. 002870N

Sd/-

(CA. Sandeep Sandill)

Partner

M. No. 085747

Sd/-

(K.K. Gupta)

Director Finance - MMTC

Additional Charge of STC,

DIN -08751137

Sd/-

(VIPIN TRIPATHI)

Company Secretary

ACS -29378

Sd/-

(S.K.Chawla)

Independent Director

DIN-09400987

Sd/-

(Hardeep Singh)

CMD

DIN -09778990

Sd/-

(B.S.Rao)

CFO

Place: New Delhi

Dated: 23.05.2023

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in Lacs)

	As at 31 st March, 2023	As at 31 st March, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit /(Loss) Before Tax	3,711.09	(4,859.73)
Adjustment for:		
- Interest on loans		
- Depreciation	-	-
- Net write back of Debts/Advances/claims/Liabilities/Assets	(23.10)	6,518.61
- Income/Expenditure relating to let out property	(7,334.58)	(6,495.07)
- Interest Income on fixed deposits/Investments	(985.54)	(564.17)
- Loss on sale of asset	-	0.04
- Profit on sale of assets	(1.08)	(0.10)
Operating Profit Before Working Capital Changes	(4,633.21)	(5,400.42)
Adjustment for:		
- Trade and other receivables	(1,534.49)	8,042.10
- Inventories	1.24	(3.01)
- Trade and other payables	2.58	(2,823.25)
Changes In Working Capital	(6,163.88)	(184.58)
Income Tax Paid		
Net Cash Generated/Used In Operating Activities (A)	(6,163.88)	(184.58)
B CASH FLOW FROM INVESTING ACTIVITIES:		
- Purchase of Fixed Assets	-	-
- Sale of Fixed Assets	4.12	10.47
- Proceeds Received from T-Bills/Deposits	(180.98)	(6,342.65)
- Interest received	985.54	564.17
- Let out properties (net)	7,334.58	6,495.07
Net Cash From Investing Activities (B)	8,143.26	727.06
C CASH FLOW FROM FINANCING ACTIVITIES :		
- Increase in loans	-	-
- Interest Paid	-	-
Net Cash From Financing Activities (C)	-	-
Net Increase/Decrease In Cash And Cash Equivalents (A+B+C)	1,979.38	542.48
Reconciliation of Cash & Cash Equivalents		
Closing Cash & Bank Balances as per Balance Sheet	21,483.08	19,503.70
Opening Cash & Bank Balances as per Balance Sheet	19,503.70	18,961.22
Cash & Bank Balances as per Cash Flow Statement	1,979.38	542.48
Cash & cash equivalents as per Balance Sheet*	21,483.08	19,503.70
Less : Non readily convertible Bank Deposits	20,623.83	16,661.55
Cash & cash equivalents as per cash flow statement	859.25	2,842.15
Cash & cash equivalents includes unpaid dividend	-	-

Significant Accounting Policies and the accompanying notes 1 to 57 form an integral part of accounts.

As per our report of even date attached

For **Tiwari & Associates**

Chartered Accountants

Firm Reg. No. 002870N

Sd/-

(CA. Sandeep Sandill)

Partner

M. No. 085747

Sd/-

(K.K. Gupta)

Director Finance - MMTC

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Independent Director

DIN-09400987

Sd/-

(Hardeep Singh)

CMD

DIN -09778990

Sd/-

(B.S.Rao)

CFO

Place: New Delhi

Dated: 23.05.2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A. Equity Share Capital

(₹ in Lacs)

Particulars	No. of shares (in Lacs)	Face Value (₹)	Amount
Balance as at April 1, 2022	600	10	6,000
Change in share capital due to Prior Period error	-	-	-
Restated balance as at April 1, 2022	600	10	6,000
Changes in share capital during 2022-23	-	-	-
Balance as at March 31, 2023	600	10	6,000

Particulars	No. of shares (in Lacs)	Face Value (₹)	Amount
Balance as at April 1, 2021	600	10	6,000
Change in share capital due to Prior Period error	-	-	-
Restated balance as at April 1, 2021	600	10	6,000
Changes in share capital during 2021-22	-	-	-
Balance as at March 31, 2022	600	10	6,000

(ii) Other Equity

(₹ in Lacs)

Particulars	Reserves and Surplus						Total
	General Reserve	Capital Reserve	Retained Earnings	Exchange Fluctuation Reserve	Bonus Reserve	Revaluation Reserve	
Balance at April 1, 2022	5,987.16	100.00	(1,20,954.42)	649.53	0.33	88,460.18	(25,757.22)
Change in share capital due to Prior Period error	-	-	-	-	-	-	-
Restated balance as at April 1, 2022	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	5,350.59	-	-	-	5,350.59
Any Other Charges	-	-	-	-	-	-	-
Balance at March 31, 2023	5,987.16	100.00	(1,15,603.83)	649.53	0.33	88,460.18	(20,406.63)
Balance at April 1, 2021	5,987.16	100.00	(1,12,116.95)	649.53	0.33	88,460.18	(16,919.75)
Change in share capital due to Prior Period error	-	-	-	-	-	-	-
Restated balance as at April 1, 2021	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	(8,837.47)	-	-	-	(8,837.47)
Any Other Charges	-	-	-	-	-	-	-
Balance at March 31, 2022	5,987.16	100.00	(1,20,954.42)	649.53	0.33	88,460.18	(25,757.22)

As per our report of even date attached

For **Tiwari & Associates**Chartered Accountants
Firm Reg. No. 002870N

Sd/-

(CA. Sandeep Sandill)Partner
M. No. 085747

Place: New Delhi

Dated: 23.05.2023

Sd/-

(K.K. Gupta)Director Finance - MMTC
Additional Charge of STC,
DIN -08751137

Sd/-

(VIPIN TRIPATHI)Company Secretary
ACS -29378

Sd/-

(S.K. Chawla)Independent Director
DIN-09400987

Sd/-

(Hardeep Singh)CMD
DIN -09778990

Sd/-

(B.S. Rao)

CFO

Accounting Policy for STC, effective from FY 2021-22 onwards

Assumption: Non-going concern

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 has been engaged in the Trading Business i.e., import and export in bulk commodities of rice, wheat, sugar, pulses, edible oils, fertilisers, coal, bullion, etc., 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 principle generally accepted in India.

ii) Basis of measurement:

Consequent upon the decisions taken in the meeting held on 29.08.2019, by the administrative ministry and further decision of the Board in its 639th meeting dated 05.04.2021, it has been resolved that STC to continue as a non-operating company for the time being and to prepare the accounts from the F.Y. 2021-22 onward on non-going concern basis. Appropriate changes to reflect this have been made in the Significant Accounting Policies and presentation of the financial statements.

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 had been in Trading Business, and there was 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. Considering the administrative ministry and the Board's decision there will be no further business activities except the pending contracts and in so far as may be required to realise the assets and settle the liabilities. Therefore, from Financial Year 2021-22 onwards, a general Operating Cycle of 12 months has been adopted.

v) Functional Currency:

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

3. Significant Accounting Policies:

3.1. Property, Plant & Equipment (PPE):

- a) Till the FY 2020-21, the cost of an item of PPE was being recognized as an asset if it were probable that future economic benefits associated with the items will flow to the company and the cost of the item can be measured reliably.

The cost of an item of PPE is comprised of:

- 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. Initial estimate of the costs of dismantling and removing the item and restoring the site on which it was located, the obligation for which the company incurred either when the PPE was 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 was added to its book value only if it increased 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, were charged to the statement of profit and loss for the period during which such expenses were incurred.
- c) Gains or losses arising from de-recognition of items of PPE were measured as the difference between the net disposal proceeds and the carrying amount of the asset and were recognized in the statement of profit and loss when the asset was derecognized.
- d) The company has elected to continue with carrying value of PPE from the date of transition.
- e) The financial statements for the year 2021-22 have been prepared on realization basis and the assets have been classified as "Held for Sale". It is probable that future economic benefits associated with the PPEs will not flow to the company in the normal course of business. Therefore, the PPEs have been carried based at their estimated realisable values. Any decrease in the carrying amount owing to such estimates have been charged to revaluation reserve to the extent the reserve created for the respective asset. The difference over and above the revalued amount is recognised in Statement of Profit or Loss under other comprehensive income.

3.2. Intangible Assets:

- a) Till FY 2020-21 all identifiable intangible assets were recognized when the company controlled the asset, it was 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 could be measured reliably.
- b) Intangible assets acquired separately were measured on initial recognition at cost. Cost comprised 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 were carried at cost less accumulated amortization and accumulated impairment losses, if any.
- c) All Intangible Assets (Computer Software's) were stated at carrying value from the date of transition.

The financial statements for the year 2021-22 have been prepared on realization basis and the assets have been classified as "Held for Sale". It is probable that future economic benefits associated with the Intangible Assets will not flow to the company in the normal course of business. Therefore, the Intangible Assets have been carried based at their estimated realisable values. Any change in the carrying amount owing to such estimates has been charged to revaluation reserve to the extent the reserve was created for the respective asset. The difference over and above the revalue amount is recognised in Statement of Profit or Loss under other comprehensive income.

3.3. Investment Property:

Investment Properties are properties held to earn rentals and / or for capital appreciation. Till FY 2020-21, Investment properties were being measured initially at cost including transaction cost. Subsequently, Investment property was being stated at cost less accumulated depreciation and impairment losses, if any. Depreciation was being provided as per policy of the company for the same. Any gain or loss on disposal was being recognized in Statement of Profit & Loss.

The financial statements for the year 2021-22 have been prepared on realization basis and the assets have been classified as "Held for Sale". It is probable that the company may not be able to earn rentals in the normal course of business. Therefore, the Investment Properties have been carried based at the estimated realisable values. Any decrease in the carrying amount owing to such estimates has been charged to revaluation reserve to the extent the reserve was created for the respective asset. The difference over and above the revalue amount is recognised in Statement of Profit or Loss under other comprehensive income.

3.4. Depreciation / Amortization:

Till FY 2020-21, Depreciation was 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 in mentioned below:

- i. Intangible items were depreciated / amortized over a period of 2.5 years.
- ii. Land on perpetual lease was not amortised.
- iii. In case, life was not prescribed under Schedule II of the Companies Act, the same was 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 wo.	10
d)	Other components	15

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

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

The financial statements for the year 2021-22 have been prepared on realization basis and PPEs and Intangible Assets have been classified as "Held for Sale". Hence no depreciation shall be charged on the same and impairment owing to such re-classification has been charged to revaluation reserve to the extent the reserve was created for the respective asset. The difference over and above the revalued amount is charged to profit or loss.

Land on perpetual lease have been revalued, based on the legal rights of the Company in case of termination, and any change in carrying amount has been charged to revaluation reserve to the extent the reserve was created for the respective asset. The difference over and above the revalued amount is charged to profit or loss.

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:

W.e.f. 01.04.2019, Ind AS 116 "Leases" was applicable for accounting of leases: -

1. As a Lessee: -**a. Right to use asset: -**

- Initial Recognition and treatment– on the date of commencement of lease, the right of use (ROU) asset is measured at present value of lease payments discounted at the interest rate implicit in the incremental borrowing rate.
- Subsequent measurement and treatment- The ROU asset is depreciated as per the depreciation requirements in Ind AS 16 Property, Plant & Equipment. If the ownership is transferred by the company at the end of the lease term or if there is a certainty that the purchase option is exercised by the company, the ROU asset is depreciated over the useful life of the asset. In any other case, the ROU asset is depreciated over the useful life of the asset or the lease term whichever is shorter. Depreciation on the ROU asset is reflected as a charge in the profit & loss account.
- The financial statements for the year 2021-22 have been prepared on realization basis. It is probable that the assets taken on lease by Company may be surrendered within 12 months from the balance sheet date. Therefore, estimated lives of the ROU asset have been re-estimated and depreciation re-calculated accordingly. Any change in the Accumulated Depreciation owing to such re-estimation has been recognised in profit or loss.

b. Lease Liability: -

- Initial Recognition and treatment– on the date the of commencement of lease, the company measures the lease liability at present value of lease payments discounted at the interest rate implicit in the lease or the incremental borrowing rate.
- Subsequent measurement and treatment- The carrying amount of the lease liability will increase by the amount of interest accrued on the lease liability. The carrying amount will be reduced on account of the payments made towards the lease liability. The interest expense on lease liability, being a component of finance cost will be presented separately as a charge in the profit & loss account.

2. As a Lessor: -

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.

1. Financial Lease: -

- i. Recognition of the asset- Assets held under financial lease are presented as a receivable at an amount equal to the net investment in the lease, increased / decreased by changes in the valuations done at regular intervals. Any increase / decrease in the valuations is recognised in the profit or loss account.
- ii. Recognition of the income- Finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the company's net investment in the lease.

2. Operating Lease: -

- i. Recognition of the asset- Assets held under operating lease are capitalised in the books. The financial statements for FY 2021-22 have been prepared on a non-going concern basis. Therefore, such assets have been reinstated at the lower of net realisable value or the depreciated amount, whichever is lower.
- ii. Recognition of the income- The lease payments from operating leases shall have to be recognised as income on either a straight-line basis or another systematic basis. The lessor shall apply another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.
- iii. Recognition of expenses- the expenses associated with earning of lease income, like depreciation shall have to be recognised as expense.

3.7. Inventories:

Inventories are carried at lower of cost and net realizable value. Cost is determined as under:

- a) Inventories are valued at lower of net realisable value or the cost, whichever is lower.

- b) Goods-in-transit are valued at lower of net realisable value or CIF cost, whichever is lower.
- c) 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.
- d) 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 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 acts 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 is recognised when the contracted services are rendered / goods are supplied to third parties / customers pursuant to the agreements.

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.

i. Dividend and Interest Income

Dividend income is recognised when the company's right to receive dividend is established.

Interest income from financial assets is recognised using the effective interest rate (EIR) method.

ii. Claims

Claims (including interest on outstanding) are recognised 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 realizable 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 transactions. 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 recognised 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 11, 2016 which are related to the acquisition or construction of qualifying assets are adjusted in the carrying cost off 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 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 costs 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 and construction of qualifying asset that necessarily takes substantial time to get ready for its intended use or sale are capitalised 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 substantial time to get ready for its intended use or sale.

3.11 Employee Benefits:

i. Short term employee benefits expected to be paid are recognised at their undiscounted amount in the accounting period in which they are incurred keeping the basis of estimates for actuarial calculation on non-going concern basis.

ii. Post-retirement benefits:

a. Defined contribution plan:

Employees' benefit, under defined contribution plan comprising of provident fund (administered through separate trust) and pension fund (administered through defined contribution to LIC) are recognised 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 recognised in other comprehensive income in the period in which they occur. Re-measurement recognised 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:

- I. 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;
- II. 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 recognised initially at fair value including any directly attributable transaction costs. Financial assets are derecognised when substantial risks and rewards of ownership of the financial assets have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognised only when the company has not retained control over the financial assets.

Subsequent measurement

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

i. 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.

- ii. Investments in liquid mutual funds, equity securities (other than subsidiaries, joint ventures, and associates) are valued at their fair value. These instruments are measured at fair value and changes therein, other than important losses, are recognised in statement of profit and loss and presented with in 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 derecognised, the related cumulative gain or loss recognised in equity is transferred to the statement of income.

iii. 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. Loans and receivables are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised 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 collectability or otherwise 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.

iv. Security deposits

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

v. Trade and other payables:

Trade and other payables are initially recognised at fair value and subsequently carried at amortised 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.

vi. Investment in subsidiaries, associates and joint ventures:

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 companies 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 neither control nor joint control over these policies. A joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arranged is classified as joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities required 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 the indicators of impairment at the end of each reporting period. Financial assets are 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 reorganization; 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 0 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 assets 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 except for trade receivables; such impairment losses 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 or credited against the allowance account. Changes in the carrying amount of the allowance account are recognised 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 recognised, the previously recognised 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 being recognised.

De-recognition of financial assets

The company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and subsequently 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 significantly all the risks and rewards of the ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

On the recognition of financial assets in its entirety, the difference between the assets carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised 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 the 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 loss enacted or substantially enacted at the reporting rate.

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

- a. As a legally 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 is realised, based on tax rates (and tax laws) that has 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 breakup of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after settling 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.

The DTA over and above the DTL recognized till 31.03.21 has not been carried forward and further, no DTA shall be recognized in view of the non-going concern basis of accounting.

3.14 Provisions, Contingent Liabilities and Contingent Assets:

General:

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probably that and 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 the 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 recognised but disclosed in Notes to 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 recognised 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 recognises a provision for the part of the obligation 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 recognised in the financial statements. Such contingent assets are assessed continuously and are disclosed in notes when the inflow of economic benefits become probable or if it is virtually certain that inflow of economic benefits will arise then such assets and the relative income will be recognised 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 dues 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:

The 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 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 asset and liability is used in companies business to any of the operating segments that are not identified are shown as unallocated assets/ liabilities.

As per our report of even date attachedFor **Tiwari & Associates**

Chartered Accountants

Firm Reg. No. 002870N

Sd/-

(CA. Sandeep Sandill)

Partner

M. No. 085747

Place: New Delhi**Dated: 23.05.2023**

Sd/-

(K.K. Gupta)

Director Finance - MMTC

Additional Charge of STC,

DIN -08751137

Sd/-

(VIPIN TRIPATHI)

Company Secretary

ACS -29378

Sd/-

(S.K.Chawla)

Independent Director

DIN-09400987

Sd/-

(Hardeep Singh)

CMD

DIN -09778990

Sd/-

(B.S.Rao)

CFO

Notes to accounts for the year ended March 31, 2023

4: PROPERTY, PLANT AND EQUIPMENT

(₹ in Lacs)

Description	GROSS BLOCK			DEPRECIATION & AMORTIZATION			ACCUMULATED IMPAIRMENT			NET BLOCK	
	Gross carrying value as at April 01, 2022	Additions	Transfer to carrying value as at March 31, 2023	Accumulated depreciation as at April 01, 2022	Additions	Transfer to Assets held for Sale / Disposal	As on April 01, 2022	Additions	transfer to Assets held for Sale / Disposal	As at March 31, 2023	Carrying Value as at March 31, 2023
Tangible Assets -Freehold											
Land	-	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-	-
Plant & Machinery	-	-	-	-	-	-	-	-	-	-	-
Furniture & Fixtures	-	-	-	-	-	-	-	-	-	-	-
Motor Vehicle	-	-	-	-	-	-	-	-	-	-	-
Office Equipment	-	-	-	-	-	-	-	-	-	-	-
Computers, data processing units & communication equipment	-	-	-	-	-	-	-	-	-	-	-
Electrical Installations & Equipment	-	-	-	-	-	-	-	-	-	-	-
Other Assets held for Disposal	-	-	-	-	-	-	-	-	-	-	-
Total (A)	-	-	-	-	-	-	-	-	-	-	-
Tangible Assets -Leasehold											
Land	-	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-	-
Roads, culverts & sewerage etc	-	-	-	-	-	-	-	-	-	-	-
Plant & Machinery	-	-	-	-	-	-	-	-	-	-	-
Right to use (Ind AS 116)	-	-	-	-	-	-	-	-	-	-	-
Total (B)	-	-	-	-	-	-	-	-	-	-	-
Total (A+B)	-	-	-	-	-	-	-	-	-	-	-
Previous year	62,607.07	(10.45)	62,596.62	5,232.97	(6.77)	5,226.20	18.79	-	18.79	-	-

* - Based on Accounting Policy on a non-going concern basis w.e.f 01.04.2021 all the assets previously grouped under Property, Plant and Equipment, Capital Work-in-progress, Investment Property & Intangible Assets are now transferred to "Non-Current Assets held for disposal" and are shown on Carrying Values as on 31.03.2021 as valuation of STC's immovable properties is under process. However as per last Valuation report, fair value as on 31.03.2020 based on current title is : JVB - ₹ 75,675 lacs, STCHC - ₹ 49,834 lacs & Others - ₹ 29,652 lacs. In case of perpetual lease, Fair Market Value of JVB and Housing Colony is ₹ 2,61,183 lacs and ₹ 84,198 lacs respectively.

Notes to accounts for the year ended March 31, 2023

(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 not yet 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 erstwhile L&B Department/DDA vide Memorandum of Agreement dated 05.02.1968 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 not yet executed.
- Leasehold land includes a plot at Mallet Bunder, Mumbai Port Trust (where STC has a Tank Farm Installation) for which lease period has expired and the surrender certificate has been executed on 12.11.2021. The tanks installed at Mallet Bunder has been surveyed by the MbPT and assets handed over on as is where is basis with an understanding that the value of the same shall be adjusted and paid to STC. Hence, appropriate treatment will be effected upon arrival of such valuation.

ii. Freehold Building:-

- Freehold Building includes house building at Asian Games Village Complex (AGVC) allotted by DDA vide allotment letter dated 30.05.1984, which is earmarked for settlement under OTS on as is where is basis. The valuation of the properties is underway.
- 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), which is earmarked for settlement under OTS on as is where is basis. The valuation of the properties is underway.

(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 meters taken by NDMC for widening of roads during Asian Games and 388.91 square meters 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 has taken up the matter with L&DO for reduction of both the area and the records will be updated in Fixed Assets register/Schedule in respect of its area & value once the final outcome in the matter is arrived at. The efforts are being made with L&DO in this regard on regular basis.

(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. Thus, CCIC and HHEC are co-owners limited to the property under their possession.

Notes to accounts for the year ended March 31, 2023

Additional Regulatory Information as on 31.03.2023

Title deeds of Immovable Properties not held in name of the Company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in Lacs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/ director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company**
PPE		-	-	-	-	
Investment property						
Asset held for Sale/Disposal	Land & Building					
	Lease hold Land at Tolstoy Marg, Jawahar Vayapar Bhawan, New Delhi.	58,188	The President of India	Promoter	1975	
	STC / MMTC Housing Colony, Aurobindo Marg, New Delhi	12,557	The President of India	Promoter	1965	
	Flats at AGVC, Khel Gaon Marg, New Delhi.	2,745	The President of India	Promoter	1984	

Based on Accounting Policy on a non-going concern basis w.e.f 01.04.2021 all the assets previously grouped under Property, Plant and Equipment, Capital Work-in-progress, Investment Property & Intangible Assets are now transferred to " Non-Current Assets held for disposal" and are shown on Carrying Values as on 31.03.2021 as valuation of STC's immovable properties is under process.

5. Capital Work- In- Progress

(₹ in Lacs)

Particulars	Balance as at April 01, 2022	Additions/ (Adjustments) during the year*	Capitalized during the year	Balance as at March 31, 2023
Office Building	-	-	-	-
Plant & Equipment	-	-	-	-
Office Equipment	-	-	-	-
Others	-	-	-	-
Intangible Assets under Development	-	-	-	-
Total	-	-	-	-
Previous Year (FY-2021-22) (Net)	183.16	(183.16)	-	-

* - According to Accounting Policy based on a non-going concern basis w.e.f 01.04.2021 all the assets previously grouped under "Capital Work-in-Progress" (CWIP) are now transferred to "Other Current Assets" as " Non Current Assets held for disposal". The assets have been transferred at their respective carrying values as on 31.03.2021.

Notes to accounts for the year ended March 31, 2023

6. Investment Property

(₹ in Lacs)

Particulars	FREEHOLD		LEASEHOLD		Total
	Land	Building	Land	Building	
Gross carrying value as at April 1, 2022	-	-	-	-	-
Additions	-	-	-	-	-
Disposal/adjustments*	-	-	-	-	-
Gross carrying value as at March 31, 2023	-	-	-	-	-
Accumulated depreciation as at April 1, 2022	-	-	-	-	-
Additions	-	-	-	-	-
Disposal/adjustments*	-	-	-	-	-
Accumulated depreciation as at March 31, 2023	-	-	-	-	-
Impairment as at April 1, 2022	-	-	-	-	-
Additions	-	-	-	-	-
Disposal/adjustments*	-	-	-	-	-
Impairment as at March 31, 2023	-	-	-	-	-
Carrying Value as at March 31, 2023	-	-	-	-	-
Previous Year (FY-2021-22) (Net)	-	-	-	-	-

* - Based on Accounting Policy on a non-going concern basis w.e.f 01.04.2021 all the assets previously grouped under Property, Plant and Equipment, Capital Work-in-progress, Investment Property & Intangible Assets are now transferred to "Non-Current Assets held for disposal" and are shown on Carrying Values as on 31.03.2021 as valuation of STC's immovable properties is under process. However as per last Valuation report, fair value as on 31.03.2020 based on current title is : JVB - ₹ 75,675 lacs, STCHC - ₹ 49,834 lacs & Others - ₹ 29,652 lacs. In case of perpetual lease, Fair Market Value of JVB and Housing Colony is ₹ 2,61,183 lacs and ₹ 84,198 lacs respectively.

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

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Rental income derived from Investment Properties	8,307.49	7,422.52
Direct operating expenses from property that generated rental income	(972.91)	(927.45)
Profit from investment properties before depreciation	7,334.58	6,495.07
Depreciation	-	-
Profit from investment properties	7,334.58	6,495.07

7. Intangible Assets

(₹ in Lacs)

Particulars	Computer Softwares	Others (specify Nature)	Total
Gross carrying value as at April 1, 2022	-	-	-
Additions	-	-	-
Disposal/adjustments	-	-	-
Gross carrying value as at March 31, 2023	-	-	-
Accumulated amortisation as at April 1, 2022	-	-	-
Additions	-	-	-
Disposal/adjustments	-	-	-
Accumulated amortisation as at March 31, 2023	-	-	-
Carrying Value as at March 31, 2023	-	-	-
Previous Year (FY-2021-22) (Net)	-	-	-

Notes to accounts for the year ended March 31, 2023

8. Investments

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current		
Investment in Equity instrument ~ Subsidiary *		
STCL Limited (100% Holding)		
1,50,000 (Fully paid up Equity shares of ₹ 100 each)	282.00	282.00
Less: Impairment in value of Investment	282.00	282.00
Net	-	-
Investment in Equity instrument ~ Joint Ventures **		
NSS Satpura Agro Development Company Ltd.		
1,00,000 (Fully paid up Equity shares of ₹ 10 each)	10.00	10.00
Less: Impairment in value of Investment	10.00	10.00
Net	-	-
Others		
Sea Lac Agro Ventures Limited		
1,00,000 (Fully paid up Equity shares of ₹ 10 each)	10.00	10.00
Less: Impairment in value of Investment	10.00	10.00
Net	-	-
Maharashtra Small Scale Industries Development		
10,000 (Fully paid up Equity shares of ₹ 100/-each)	10.00	10.00
Less: Impairment in value of Investment	10.00	10.00
Net	-	-
Andhra Pradesh Trade Promotion Corporation Limited		
100 (Fully paid up Equity shares of ₹ 1000/-each)	1.00	1.00
Less: Impairment in value of Investment	-	-
Net	1.00	1.00
Sindhu Re-settlement#		
4 (Fully paid up Equity shares of ₹ 1000/-each)	0.13	0.13
Less: Impairment in value of Investment	0.09	0.09
Net	0.04	0.04
Total	1.04	1.04

* The union cabinet has approved in its meeting dated 13th August, 2013 for winding up of Subsidiary M/s. STCL Limited, a 100% owned subsidiary of STC. 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 ₹ 282 lacs (₹ 282 lacs) has been provided for (retaining a nominal value of ₹ 1/-) as the net worth of the subsidiary has been eroded completely.

** Investment of ₹ 10 lacs (₹ 10 lacs) in a Joint Venture company (NSS Satpura Agro Development Co. Ltd. Has also been fully provided for as the Net Worth of the Company has completely eroded.

#Nominal Value of ₹ 4000/-

Notes to accounts for the year ended March 31, 2023

9. Trade Receivables

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
A. Non Current		
A. Trade Receivables from related parties	-	-
Total (A)	-	-
Trade Receivables		
Total (B)	-	-
Total (A+B)	-	-

B. Current		
A. Trade Receivables from related parties		
i. Secured ~ Considered good	-	-
ii. Unsecured Considered good	-	-
iii. Having Significant increase in credit risk		
iv. Credit Impaired	-	-
Sub-total	-	-
Less : Allowance for bad and doubtful receivables	-	-
Total (A)	-	-
Trade Receivables		
i. Secured, Considered good *	-	-
ii. Unsecured Considered good	38,918.34	38,858.11
iii. Having Significant increase in credit risk **	68,027.84	67,833.68
iv. Credit Impaired	62,727.62	62,727.62
Sub-total	1,69,673.80	1,69,419.41
Less: Allowance for bad and doubtful debts	62,727.62	62,727.62
	1,06,946.18	1,06,691.79
Total (B)	1,06,946.18	1,06,691.79
Total (A)	1,06,946.18	1,06,691.79
Total (A+B)	1,06,946.18	1,06,691.79

** Out of the total trade receivable of ₹ 1,69,673.80 lacs includes ₹ 68,027.84 lacs "having significant increase in credit risk" are also being under dispute/litigation (for details of major legal cases refer note no. 39).

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.

(₹ in Lacs)

Particulars	Trade Receivables ageing schedule					
	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	-	-	-	9,018.15	9,018.15
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	711.42	711.42
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	30,094.35	30,094.35
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	67,122.27	67,122.27
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	62,727.62	62,727.62

Notes to accounts for the year ended March 31, 2023

10. Loans

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
A. Security Deposits		
B. Loan to Related Parties		
C. Loan to Employees		
Total (A+B+C)	-	-
Current		
A. Security Deposits		
I. Secured, considered good	-	-
II. Unsecured, considered good	3,254.43	3,262.21
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	7.13	7.13
Sub-total	3,261.56	3,269.34
Less: Allowance for bad and doubtful deposits	7.13	7.13
Less: Fair Value Adjustment-SD	-	-
Total (A)	3,254.43	3,262.21
B. Loan to Related Parties		
(B)	-	-
C. Loan to Employees		
I. Secured, considered good *	74.25	99.98
II. Unsecured, considered good	5.05	6.20
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	-	-
Add: Interest accrued	240.88	260.41
Sub-total	320.18	366.59
Less: Allowance for bad and doubtful loans	-	-
Less: Fair value adjustments	-	-
Total (C)	320.18	366.59
Total (A+B+C)	3,574.61	3,628.80

Notes to accounts for the year ended March 31, 2023

11 Other Financial Assets

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
A. Term deposit with maturity more than 12 months :		
B. Claims Recoverable		
C. Deposits	-	-
D. Other Misc. advance		
Total (A+B+C+D)	-	-
Current		
A. Interest accrued on:		
- Term deposits with maturity more than 3 and upto 12 months	35.15	19.60
- Term deposits with maturity less than 3 months	-	-
- Other Deposits (Flexi Deposits)	1,192.29	1,011.31
- Interest Accrued but not due on deposits/ T Bills	166.10	94.40
B. Investment in Treasury Bills	20,623.83	16,661.55
Sub-total	22,017.37	17,786.86
C. Other	-	-
D. Claims Recoverable		
I. Secured, considered good	152.43	152.43
II. Unsecured, considered good	6,891.12	5,593.09
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	2,953.78	2,949.40
Sub-total	9,997.33	8,694.92
Less: Allowance for bad and doubtful advances	2,953.78	2,949.40
(D)	7,043.55	5,745.52
E. Security Deposits		
I. Secured, considered good	-	-
II. Unsecured, considered good	14.78	14.78
iii. Having Significant increase in Credit Risk	1,073.54	1,073.54
iv. Credit Impaired	569.96	569.96
Sub-total	1,658.28	1,658.28
Less: Allowance for bad and doubtful advances	569.96	569.96
(E)	1,088.32	1,088.32
Total (A+B+C+D+E)	30,149.24	24,620.70
Total (Other Financial Assets)**	30,149.24	24,620.70

Notes to accounts for the year ended March 31, 2023

12. Deferred tax assets (Net)

Deferred tax assets and liabilities are attributable to the following:

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
A. Deferred Tax Liability	-	-
Sub Total	-	-
B. Deferred tax Assets		
Sub Total	-	-
C. MAT Credit Entitlement	1,367.36	1,347.81
Net Deferred Tax (Liabilities)/ Assets	1,367.36	1,347.81

Movement in deferred tax balances during the year ended 31.03.2023

(₹ in Lacs)

Particulars	Balance as at April 01, 2022	Recognised in profit & loss
Opening Balance	1,347.81	-
Additions during the year	19.55	-
Deletions during the year	-	-
Closing Balance	1,367.36	-

Recognized MAT credit available to Company in future years

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
2014-15 (Credit available up to Financial Year 31.03.2025)	401.08	401.08
2016-17 (Credit available up to Financial Year 31.03.2027)	758.82	758.82
2017-18 Credit available up to Financial Year 31.03.2028)	187.91	187.91
2022-23 Credit available up to Financial Year 31.03.2038)	19.55	-
Total	1,367.36	1,347.81

13. Tax Assets (Net)

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current Tax Assets		
Total	-	-
Current Tax Assets		
Advance Tax including TDS	14,825.61	14,040.22
TDS	-	-
Current Tax Liabilities	-	-
Income Tax Payable/Provision	12,170.74	11,729.25
Total	2,654.87	2,310.97

Notes to accounts for the year ended March 31, 2023

14. Other Assets (Non-Financial)

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
A. Trade Advances		
(A)	-	-
B. Other Misc. Advances		
(B)	-	-
C. Security Deposits		
(C)	-	-
D. Deferred Employee cost due to Fair Valuation	-	-
E. Deferred Fair Valuation Loss- Deposit Receivable	-	-
F. Claims Recoverable		
(F)	-	-
Total (A to F)	-	-
Current		
A. Capital Advances		
i. Secured, Considered good	-	-
ii. Unsecured Considered good	25.53	25.53
iii. Having Significant increase in Credit Risk	-	-
iv. Credit Impaired	-	-
Sub-total	25.53	25.53
Less: Allowance for bad and doubtful advances	-	-
(A)	25.53	25.53
B. Trade Advances		
I. Secured, considered good	-	-
II. Unsecured, considered good	-	-
III. Having Significant increase in credit risk	0.83	0.68
IV. Credit Impaired	9,121.19	9,121.19
Sub-total	9,122.02	9,121.87
Less: Allowance for bad and doubtful advances	9,121.19	9,121.19
(B)	0.83	0.68
C. Other Misc. Advances		
I. Secured, considered good	137.59	137.59
II. Unsecured, considered good	419.86	421.27
III. Having Significant increase in credit risk	135.33	135.33
IV. Credit Impaired	138.14	138.14
Sub-total	830.92	832.33
Less: Allowance for bad and doubtful advances	138.14	138.14
(C)	692.78	694.19
D. Other		

Notes to accounts for the year ended March 31, 2023

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid Expenses	-	-
TA Advances	0.02	0.02
Advance for expenses	45.94	51.09
GST Input	392.13	365.74
VAT Receivable - Input/Service Tax Credit	6.90	6.90
Other	0.04	7.22
Deposits	3.34	3.39
(D)	448.37	434.36
E. Deferred Employee cost due to Fair Valuation	-	-
F. Deferred Fair Valuation Loss- Deposit Receivable	-	-
G. Claims Recoverable		
I. Secured, considered good	-	-
II. Unsecured, considered good	-	-
III. Doubtful	417.54	417.54
Sub-total	417.54	417.54
Less: Allowance for bad and doubtful claims	417.54	417.54
(G)	-	-
H. Claims Recoverable		
i. Secured, Considered good	-	-
ii. Unsecured Considered good	-	-
iii. Having Significant increase in Credit Risk	-	-
iv. Credit Impaired	26.26	26.26
Sub-total	26.26	26.26
Less: Allowance for bad and doubtful claims	26.26	26.26
(H)	-	-
Total (A to H)	1,167.51	1,154.76

15. Inventories

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
A. Stock in trade including with handling agents/local agent	-	-
B. Stores and Spares	4.62	5.46
C. Loose tools	-	-
C. Packing Materials	-	-
D. Stationery	1.20	1.60
E. Others	-	-
Total	5.82	7.06

Notes to accounts for the year ended March 31, 2023

16. Cash & Cash Equivalents

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash in hand	-	-
Cheques, Drafts on hand	-	-
Stamps & Stamp Papers*	0.09	0.09
Balances with Banks	-	-
- Cash Credit account - Debit Balance	-	-
- Current Accounts	22.40	384.19
- Current Account in Foreign currency - EEFC	-	-
Sub-total	22.49	384.28
Other Bank Balances		
- Term Deposits with maturity upto 3 months	836.76	2,457.87
- Other Deposit with 3 months or less maturity	-	-
Sub-total	836.76	2,457.87
Total	859.25	2,842.15

17. Bank Balances

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
a. Balances with Banks		
- Unpaid Dividend Balance Account	-	-
Total	-	-

18. Equity Share Capital

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorized		
Equity shares		
20,00,00,000 equity shares of ₹ 10/- each	20,000.00	20,000.00
Issued, subscribed and fully paid Equity shares		
6,00,00,000 equity shares of ₹ 10/- each	6,000.00	6,000.00
Reconciliation of Share Capital:		
Opening Equity Shares	600.00	600.00
Add: - No. of Shares, Share Capital issued/ subscribed during the year	-	-
Closing balance	600.00	600.00

Shares held by promoters at the end of the year

Promoter name	No. of Shares**	% of total shares**
President of India	5,40,00,000	90%
Total	5,40,00,000	

Notes to accounts for the year ended March 31, 2023

19. Other Equity

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
General Reserve		
Balance as per last financial statements	5,987.16	5,987.16
Less: Opening balance transferred to CO	-	-
Add: Transfer to General Reserve on account of revaluation of Fixed Asset.	-	-
Add: Amount Transferred from surplus Balance in the statement of Profit & Loss	-	-
Closing Balance	5,987.16	5,987.16
Capital Reserve		
Balance as per last financial statements	100.00	100.00
Add: Dividends	-	-
Closing Balance	100.00	100.00
Retained Earnings		
Balance as per last financial statements	(1,16,935.98)	(1,17,005.06)
Add /Less : Opening balance transferred to CO	(4,018.45)	4,888.11
Add: Profit for the year	3,289.15	(9,396.67)
Transfer from bonus reserve	-	-
Transfer to bonus reserve	-	-
Adjustment of Componentisation of PPE	-	-
"Other comprehensive income arising from re-measurement of defined benefit obligation, net of income tax"	2,061.45	559.20
Closing Balance	(1,15,603.83)	(1,20,954.42)
Revaluation Reserves		
Balance as per last financial statements	88,460.18	88,460.18
Add: Transfer to General Reserve on account of revaluation of Fixed Asset.	-	-
Add: other adjustments	-	-
Closing Balance	88,460.18	88,460.18
Exchange Fluctuation Reserves		
Balance as per last financial statements	649.53	649.53
Add: Any other change	-	-
Closing Balance	649.53	649.53
Bonus Reserve		
Balance as per last financial statements	0.33	0.33
Transfer to bonus reserve (set on)	-	-
Transfer from bonus reserve (set off)	-	-
Closing Balance	0.33	0.33
Total	(20,406.63)	(25,757.22)

Notes to accounts for the year ended March 31, 2023

20. Borrowings

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
TOTAL	-	-
Current	-	-
I. Term Loans:		
II. Working Capital Loans:	-	-
a. From banks		
- Cash Credit	80,623.24	80,623.24
b. From Others	-	-
Total	80,623.24	80,623.24

In view of the default by the company in paying due interest amount to the banks, STC was declared NPA. The lender banks have initiated DRT proceedings against the company and Syndicate bank had also initiated NCLT proceedings. The company is in the process of finalizing the OTS proposal with the lender banks and the amount crystallised with the Joint Lender Forum (JLF) is ₹ 1,90,624 lacs as on 31.12.2018. A part payment of ₹ 110000 lacs has already been made to Syndicate Bank, The leader of JLF on 29.03.2019 (₹ 90,000 lacs) and on 27.05.2019 (₹ 2,00,000 lacs).

The leader of JLF has withdrawn the NCLT proceeding against STC on 11.12.2019. However, proceedings in DRT are still going on. The process of OTS with the lender banks is in progress and the same is being vigorously followed up at appropriate levels.

All the charges as not satisfying are related to OTS with bank. As the OTS yet to signed with banks. The same cannot be modified / satisfied until OTS is signed with Banks. Details of charges not satisfied with MCA is hereunder :

S No.	SRN	Charge Id	Charge Holder Name	Date of Creation	Amount
1.	C59225391	10254506	Bank of Baroda,	03/12/2010	₹ 1000000000
2.	B79593042	10199318	INDIAN BANK	07/01/2010	₹ 2000000000
3.	G30982516	10092378	EXPORT-IMPORT BANK OF INDIA	27/06/2007	₹ 1562700000
4.	C62289897	10042121	SYNDICATE BANK	26/02/2007	₹ 11000000000
5.	B09241910	10016914	Union Bank of India	26/07/2006	₹ 3000000000
6.	A81935678	90064488	Allahabad Bank	27/10/2003	₹ 5000000000
7.	C00519710	80058988	Indian Overseas Bank	27/08/2003	₹ 12000000000
8.	C00521716	80038272	Indian Overseas Bank	27/08/2003	₹ 6000000000
9.	A40679888	80007453	VIJAYA BANK	22/01/2003	₹ 4000000000
10.	Z00022854	80007458	VIJAYA BANK	22/01/2003	₹ 1000000000
11.	Z00022857	80007459	VIJAYA BANK	22/01/2003	₹ 10000000

(₹ in Lacs)

Name of Banks	Amount defaulted (principal & intt. thereon)	Date of default
Syndicate Bank	280.71	31.03.2018
Indian Overseas Bank	188.02	31.03.2018
Union Bank of India	140.72	28.02.2018
Indian Bank	94.81	28.02.2018
EXIM Bank	74.43	01.10.2016
Bank of Baroda	26.27	20.06.2018
UBI (Kumily)	1.28	28.02.2018
Balance as on 31.03.2023*	806.23	

Notes to accounts for the year ended March 31, 2023

21. Trade Payable

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
a) Bill Acceptances	-	-
b) Trade Payables	-	-
c) Others	-	-
Total (A)	-	-
Current		
a) Bill Acceptances	-	-
a) Trade Payables	1,11,708.55	1,11,960.60
c) Others	-	-
Total (B)	1,11,708.55	1,11,960.60
Total (A+B)*	1,11,708.55	1,11,960.60

* Above includes Trade payable paid only on realization from the outstanding receivables due to back to back payment arrangement.

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	-	-	487.32	1,05,654.10	1,06,141.43
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	5,567.12	5,567.12

22. Other Financial Liabilities

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Total	-	-
Current		
a. Advance from customers**	3,428.87	3,255.71
b. Customers at Credit	6,484.47	6,498.76
c. Unclaimed dividend	-	-
d. Investor Education & Protection Fund	-	-
d. Interest accrued but not due on borrowings	-	-
e. Interest accrued and due on borrowings	-	-
f. Current Maturities of Long Term Borrowings	-	-
g. Other liabilities	-	-
- Outstanding liabilities for goods & services received	23,043.21	22,846.44
- Outstanding liabilities for goods & services received (PP)	-	-
- Deposits	4,116.34	4,072.32

Notes to accounts for the year ended March 31, 2023

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
- Stale Cheques	-	-
- Security Deposits from:		
: a Subsidiary	-	-
: Others	310.21	321.60
- Security Deposits (Fair Value Adjustment)	-	-
- Earnest money deposits	537.69	562.08
d. Employees' dues:		
- Pay & Allowances	301.66	380.47
- Other expense	792.20	815.34
- Dues to employees on accrual basis	12.84	11.64
- Earned leaves	914.78	910.61
- STC's employees union	0.52	0.28
- STC's Officers' Association	1.39	0.94
- STC's SC/ST Employees Welfare Association	0.06	0.07
- Salary Saving scheme	0.30	0.51
- Thrift Society	-	-
- Undisbursed Salary	0.81	0.91
Total	39,945.35	39,677.68

23. Provisions

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Provisions for Employee Benefits		
Others	-	-
Total	-	-
Current		
A. Provisions for Employee Benefits		
Encashment of Half pay leave	366.41	369.14
Post Retirement medical benefits	10,058.45	11,377.79
Long service awards	-	-
Gratuity	-	-
Performance Related Pay	0.67	0.67
Others	-	-
Sub Total (A)	10,425.53	11,747.60

Notes to accounts for the year ended March 31, 2023

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
B. Other Provisions		
Contingencies	4,646.97	4,548.27
Exchange Difference on Forward Contract	-	-
Others (specify nature)	11.12	11.12
Sub Total (B)	4,658.09	4,559.39
Total(A+B)	15,083.62	16,306.99

24. Other Liabilities (Non-Financial)

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Corporate Office A/c Balances	-	-
HOR -CASH	-	-
HOR -OTHERS	-	-
Total	-	-
Current		
a. Advance from customers	-	-
b. Customers at Credit*	605.69	605.69
b. Other liabilities:-		
- Outstanding liabilities for goods & services received	5.96	9.04
- Liability for CSR	-	-
- Deposits	46.57	46.57
c. Remittances:		
- Professional Tax	0.03	1.51
- Income Tax deducted at source	37.80	37.45
- Goods & Service Tax (GST)	150.82	164.57
- Contribution to Provident Fund	36.71	39.87
- Contribution to Empl Pension Scheme - 95	1.66	2.02
- Contribution to Empl Pension Fund	14.22	15.06
Total	899.46	921.78

* includes an amount payable of ₹ 603 lacs to U.P, Government is adjustable against claims of interest and carrying charges amounting to ₹ 3,382.23 lacs is outstanding from UPGEWC on account of (i) differential of import price and amount realised on risk sale of 9555.285 MTs Lemon Tur and (ii) Interest and carrying charges, and STC has been continuously following up the recovery matter with Govt of UP and filed its petition dtd 28.01.2022 for resolution of dispute through AMRCD mechanism. The matter came up for hearing on 12.04.2023. The next date of hearing is awaited.

Notes to accounts for the year ended March 31, 2023

25. Revenue From Operations

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Sales		
Export	-	-
Imported Goods	-	-
Domestic	-	-
Sub total	-	-
(b) Other operating revenue		
Exchange fluctuations- gains	-	-
>>On business Associates Account	-	-
Sub total	-	-
Total	-	-

26. Other Income

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Interest income:-		
Advance to Employees	13.65	11.89
Deposits pledged / under Lien as margin money	6.79	12.02
Other bank Deposits	42.60	44.86
Term Deposits With FIs & its subsidiaries:	-	-
Interest on Investments	942.94	519.31
Income Tax Refunds	-	388.61
Other Miscellaneous interest	1.71	-
Sub Total	1,007.69	976.69
(b) Miscellaneous income:-		
Dividend income-others (gross)	-	-
Security Deposits forfeited	-	0.03
Rent received from Employees	5.23	8.10
Other Receipts	-	-
Sub Total	5.23	8.13
(c) Rental income:-		
Rent Received from let-out property	7,494.79	6,656.68
Recoveries for common services from tenants	812.70	765.84
Sub Total	8,307.49	7,422.52
Less: Expenses related to let out property		
Land & Development office charges@25%	-	-

Notes to accounts for the year ended March 31, 2023

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Property tax/Municipal tax	711.44	683.38
Ground Rent	39.50	33.26
Insurance Premium	10.22	10.90
Maintenance Charges	125.55	117.49
Administrative Expenses	86.20	82.42
Sub Total	972.91	927.45
Net rental income (c)	7,334.58	6,495.07
(d) Other Receipts:-		
Difference in exchange other than commodity items	(90.45)	(30.32)
Misc. non Trade receipts	246.73	286.07
Amortisation income of Deferred employee advances	-	-
Amortisation income of Deferred Security deposit	-	-
Sub Total	156.28	255.75
Total	8,503.78	7,735.64

27. Cost of Materials consumed

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance of material	-	-
Add: Purchases made during the Year	-	-
Less: Closing balance of material	-	-
TOTAL	-	-

28. Purchase of Stock-in-Trade

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Export Purchase	-	-
Import Purchase	-	-
Domestic Purchase	-	-
Total	-	-

Notes to accounts for the year ended March 31, 2023

29. Changes in Inventory

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Finished Goods		
At the beginning of Year	-	-
Less : At the end of Year	-	-
(A)	-	-
Stock-In-Trade		
At the beginning of Year	-	-
Less : At the end of Year	-	-
(B)	-	-
Changes in Inventory	-	-

30. Employees' Benefit Expenses

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Remuneration to Staff & Managers		
Salaries and Allowances	1,806.81	1,997.46
Encashment of Earned Leave	96.36	135.61
Encashment of Half Pay Leave	19.13	32.97
Residential Rent	-	-
Provident fund	157.86	167.24
Employees pension scheme 95 (EPS 95)	18.36	23.93
Bonus	-	-
Performance Related Pay	-	-
Welfare Expenses:		
- Medical Expenses on regular employees (OPD)	24.49	27.11
- Medical Expenses on regular employees (IPD)	143.08	92.02
- Medical Expenses on retired employees (OPD)	-	-
- Medical Expenses on retired employees (IPD)	128.93	219.00
- Medical Expenses on Actuarial liability	708.17	588.26
- Long Service Award including at the time of Retirement	-	0.24
- Others	13.49	22.94
Gratuity	64.83	92.12
Pension	129.49	140.74
Amortisation expenses of Deferred employee cost	-	-
Voluntary retirement benefit* (VRS)	-	-
Amortisation expense	-	-
VRS Ex-Gratia - (Current Year - Death Case)	136.48	464.18
Sub Total	3,447.48	4,003.82
(b) Remuneration to Directors		
Salaries and Allowances	2.89	73.33
Encashment of Earned Leave	8.72	-
Provident fund	-	6.38
Welfare Expenses:		
- Medical Expenses on regular employees (OPD)	-	0.40

Notes to accounts for the year ended March 31, 2023

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
- Others	15.77	3.80
Pension	0.20	2.97
Sub Total	27.58	86.88
TOTAL	3,475.06	4,090.70

31. Finance Cost

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Income Tax	-	0.02
TDS/TCS	-	-
VAT	0.01	0.35
Others	193.93	193.72
TOTAL	193.94	194.09

32. Depreciation And Amortization Expenses

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on Property Plant & Equipment (PPE)		
Freehold Building	-	-
Plant & Machinery	-	-
Sub Total	-	-
Depreciation on investment property :		
Freehold Building	-	-
Leasehold Land	-	-
Sub Total	-	-
Amortisation on intangible Assets		
Computer software	-	-
Others	-	-
Sub Total	-	-
Impairment		
Sub Total	-	-
TOTAL	-	-

33. Other Expenses

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
L/C Negotiation & Bank Charges	-	-
Godown, Plot, Tank Rent	-	-
Sub total	-	-

Notes to accounts for the year ended March 31, 2023

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(b) Administration expenses		
Office Rent	12.22	11.03
Rates and Taxes:		
- Property Tax to Municipal Corporation	205.19	120.00
- Wealth Tax	-	-
- Others	0.53	0.64
Electricity and Water Charges	93.63	98.75
Printing and Stationery	4.20	11.06
Postage, Telegram, Teleprinter & Telex	1.91	0.75
Telephones	8.78	14.95
Books and Yearicals	-	0.06
Repairs		
- Building	-	-
- Plant and Machinery	-	-
- Others	0.54	2.23
Travelling Expenses	16.51	8.70
Housing Colony Expenses	46.46	35.38
Service Vehicle Expenses	4.20	12.61
Insurance Premium	16.26	22.21
Auditors' Remuneration		
- Statutory Audit Fees	3.00	8.00
- Tax Audit Fees	1.50	4.00
- Certification fees	3.51	3.00
- Other charges - TA/DA etc.	-	-
HRD Expenses	-	-
Information Technology Expenses	19.47	39.42
Information Technology Expenses (Prior Year)	-	-
Conveyance Expenses	0.39	0.09
Maintenance of Office Building	98.43	369.17
Misc. Office expenses	69.48	43.85
Sub total	606.21	805.90
(c) Trade Expenses		
Legal & Professional Expenses	310.18	242.32
Legal & Professional Expenses (Prior Year)	-	-
Advertisement & Publicity	7.22	7.79

Notes to accounts for the year ended March 31, 2023

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Exchange Fluctuations other than commodity items	146.53	50.19
Bank Charges	0.22	6.25
Entertainment expenses	3.03	5.26
Other Trade Expenses	74.48	102.94
Sub total	541.66	414.75
(d) Amortization Expenses		
Amortisation expenses of Deferred employee advances	-	-
Amortisation expenses of Deferred Security deposit	-	-
TOTAL	1,147.87	1,220.65

34. Exceptional items

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Loss on sale of Property, Plant & Equipment (PPE)	-	0.04
Other provisions (L&DO)	-	8,540.61
Total (a)	-	8,540.65
(b) Write Offs		
Trade Receivables**	-	-
Claims	-	5,930.42
Total (b)	-	5,930.42
(c) Provision for Doubtful debts, Loans and advances & Investment		
Trade Receivables	-	-
Claims	4.38	2.10
Total (c)	4.38	2.10
(d) Income		
Profit on Sale of PPE	1.08	0.10
Liabilities Created in previous years written back:		
- Statutory	-	-
- Others	27.48	27.12
Provision Written back for doubtful amounts realized:		
-Trade Receivables	-	-
-Claims	-	0.60
Provision Written back for doubtful amounts written off:		
-Trade Receivables	-	-

Notes to accounts for the year ended March 31, 2023

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
-Claims	-	7,355.42
Total (d)	28.56	7,383.24
Total (a+b+c-d)	(24.18)	7,089.93

35. Tax Expense

A. Tax recognised in Statement of profit and loss

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current income tax		
Current year	421.95	-
Adjustments for prior years	-	(2,763.77)
Total	421.95	(2,763.77)
Deferred tax expense		
Origination and reversal of temporary differences	-	7,300.72
Changes in tax rate	-	-
Change in accounting policy	-	-
Sub Total (B)	-	7,300.72
Total (A+B)	421.95	4,536.95
Tax recognised in other comprehensive income		
Defined benefit plan actuarial gains (losses)	-	-
Total	-	-

B. Tax Losses Carried forward

(₹ in Lacs)

Particulars	As at March 31 st , 2023	Balance year ended
Unused Tax Losses for which no deferred Tax Assets have been recognized :		
Business Loss carried forward for F.Y. 2021-22	14,855.43	
Business Loss carried forward for F.Y. 2016-17	11,270.35	
Business Loss carried forward for F.Y. 2017-18	8,928.07	
Business Loss carried forward for F.Y. 2018-19	58,105.19	
Business Loss carried forward for F.Y. 2019-20	10,725.62	
Business Loss carried forward for F.Y. 2020-21	2,429.25	
Unabsorbed Depreciation	3,250.05	
Total	1,09,563.96	

Notes to accounts for the year ended March 31, 2023

36. Foreign Currency Exposure

(₹ in Lacs)

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Foreign Currency Denomination	Amount in Foreign Currency	Amount in Indian Rupees	Foreign Currency Denomination	Amount in Foreign Currency	Amount in Indian Rupees
A. Receivable :						
IGEDC IRAN	EURO	11.58	990.52	EURO	11.58	990.52
ETA Dubai	-	-	-	-	-	-
Various Foreign Supplier	-	-	-	-	-	-
Cargill International	-	-	-	-	-	-
GASC, Egypt	-	-	-	-	-	-
Mumbai branch	USD	2,956.40	1,31,400.92	USD	1,521.57	74,556.73
Mumbai branch	-	-	-	-	-	-
Orbis BV, Netherlands	-	-	-	-	-	-
LEICA, Germany	-	-	-	-	-	-
Various Parties	USD	192.95	15,798.66	USD	1,627.78	66,582.91
Various Parties	EURO	9.32	830.63	Euro	9.32	489.15
CAMAG	-	-	-	-	-	-
Sub Total (A)			1,49,020.73			1,42,619.31
B. Payable :						
Various Parties	USD	41.49	3,420.95	USD	41.49	3,150.84
Various Parties	-	-	-	-	-	-
M/S Rosanblatt, London	Pound	0.04	4.63	Pound	0.04	4.25
Sub Total (B)			3,425.58			3,155.09

37. Trade Payables

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

(₹ in Lacs)

Particulars	2022-23	2021-22
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, 2023

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

(i) Provisions

(₹ in Lacs)

Particulars	Opening balance as on 01.04.2022	Additions/ Transfers during the year	Utilization during the year	Adjustment during the year	Written-back during the year	Closing balance as on 31.03.2023
Contingencies	4,559.39	98.70	-	-	-	4,658.09
Doubtful Trade Receivables	62,727.62	-	-	-	-	62,727.62
Doubtful Loans	9,147.45	-	-	-	-	9,147.45
Doubtful Claims	3,366.94	4.38	-	-	-	3,371.31
Doubtful Deposits	715.23	-	-	-	-	715.23
Total	80,516.62	103.08	-	-	-	80,619.70

(ii) Contingent Liabilities:

(₹ in Lacs)

Particulars	31.03.2023	31.03.2022
Claims against the company not acknowledged as debt		
(i) Court & Arbitration cases with parties*	41,611.49	13,530.14
(ii) Sales Tax/Service Tax/VAT	48,548.84	48,548.84
(iii) Income Tax	686.25	686.25
(iv) Custom Duty	692.55	692.55
(v) Others**	11,209.08	11,167.01
Total	1,02,748.21	74,624.79

**M/s Tanzania Commodities Pvt. Ltd. raised a claim of ₹ 2,446 lacs towards short supply of sugar through the associate M/s Mehak Overseas. The case is pending before the Bombay High Court. Refer note no. 39 (3) for details of M/s Mehak Overseas.

* M/s Mediterranean Shipping raised a claim of ₹ 729 Lacs 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.

** Demand of ₹ 132.83 Crore was raised by L&DO vide its letter no. L&DDO/LS2A/9225/133 dated 26th March 2018 from 2004-05 onwards for non-compliance of various conditions of the Lease Deed (including non-deposits of 25% of the gross rent received by STC from its tenants). However, the company has disputed the demand and the matter is yet to be resolved. On the observation of CAG audit, the firm liability of ₹ 8,540 lacs has been booked. With a view to obtain updated demand as on date STC approached L&DO on 18.05.2022 wherein it was informed by L&DO that the assessment with regard to raising such demand, they have their own parameters. Further, vide letters dtd 27.12.2022 & 11.05.2023, STC requested L&DO to provide the updated liability towards JVB. In addition Deptt of Commerce vide its letter dtd 13.07.2022 has also taken up the issue with L&DO. The reply from L&DO in this regard is yet to be received. STC is continuously following up with L&DO for JVB and DDA for housing colony. Necessary provisioning shall be made in case any further demand arises.

*Provision as on 31.03.2023 includes ₹ 1124 Lacs (after considering EMD ₹ 199 Lacs available with STC) in respect of contract entered into by the company for import of goods from foreign supplier M/s Synergic Industrial Marketing Services (SIMS), Singapore/ Malaysia, on behalf of the Indian buyer M/s Millennium Wires Pvt. Ltd. The documents tendered by the foreign supplier were forged and fabricated. Hence, STC approached its banker Allahabad Bank, (now merged with Indian Bank) not to release the payment to Foreign Bank against these LCs. Foreign Bank of supplier has approached Delhi High Court for release of payment against LCs. As per court order, Indian Bank has deposited decretal amount with court. As a result of this, Indian bank debited the account of STC, now Delhi High Court has passed its Judgment in the matter between Indian Bank & the Malayan Bank, upholding the decision of single bench against Indian Bank to pay the decreed amount (₹ 10,79,59,518.02 along with pendent lite & future simple interest till realization @ 9% p.a.) to Malayan Bank. Subsequent to the Hon'ble Delhi High Court Judgment dated 25.11.2019, STC received a Claim Letter dated 16.01.2020 from Indian Bank for an amount of ₹ 16,21,60,914 along with future interest @ 9.65% p.a.w.m.r. towards all 4 LCs (1 LC was not accepted by STC).

Notes to accounts for the year ended March 31, 2023

Further, STC has also referred the matter to different forums. STC has made a provision of ₹ 1,124 Lacs (net of EMD ₹199 Lacs available with STC) in respect of three LCs documents accepted by STC. Since STC has refuted the demand raised by Indian Bank, hence the balance amount of ₹ 393 Lacs has been shown as Contingent liability.

Further, Lender institutions of the Indian buyer (M/s Millennium Wires Pvt. Ltd) have initiated NCLT proceedings. STC had also filed its claim for an amount of ₹ 1,491 Lacs in compliance with Orders of the NCLT, Chandigarh Bench before the liquidator to the same extent of amount claimed by bank from STC at the date of filing claim before liquidator, However, The Liquidator has vide email dated 26.05.2020 rejected STC's claim of amount ₹ 1,491 Lacs. STC is in the process to appeal against the decision of the Liquidator before NCLT, Chandigarh. After due exchange and filing of replies and rejoinders, the matter was last heard on 27.03.2023 and has been reserved.

Further, Indian Bank has now filed before Debt Recovery Tribunal 2 (DRT 2), New Delhi claiming an amount of ₹ 1,740 Lacs approx.. STC has denied and contested this claim. The matter is presently at the stage of evidence. STC had file a complaint with CBI, New Delhi and an FIR NO. : RC 2192022E0001 dated 08.02.2022 has been registered by CBI, New Delhi and investigation is underway in the matter.

(iii) Litigation Settlements:

1. M/s J.K. International (a foreign supplier) has claimed damages 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 invoked Arbitration clause and Award of Arbitral Tribunal was in favour of the supplier for ₹ 6805 lacs plus interest from 01.12.2009. STC filed an appeal against the Tribunal award before the single bench of the Hon'ble Delhi High Court. The judgment was in favour of supplier for ₹ 5703 lacs plus interest against which STC has filed an appeal before the Double bench of the Hon'ble Delhi High Court. Meantime, M/s. J.K. International filed an SLP against STC at Hon'ble Supreme Court and under order of Hon'ble Court, STC has paid a sum of ₹ 2000 Lacs to J.K. International. The matter was last listed on 24.03.2023 but adjourned to 08.05.2023 due to paucity of time.
2. The company has appropriated an amount of ₹ 2,789 Lacs 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 ₹ 2,789 Lacs plus interest @8% p.a. by STC excluding cost of arbitration. Against the same STC has filed an appeal before the Hon'ble High Court. Meanwhile, as per the High Court's direction STC has deposited ₹ 3,192 Lacs with the High Court of Calcutta. The amount has been kept as a Security in the form of FD with High Court, pending appeal. The money was withdrawn by M/s Edelweiss by submitting a Bank Guarantee of equivalent amount and a sum of ₹277 Lacs is left which is the amount of interest accrued over a period of time. Due to prevailing situation caused by the pandemic, the case has not progressed to any decisive stage, due to non-hearing of regular matters.

After consultation with AOR in the aforesaid matter, RO is in the process of filing urgent hearing application so that the appearance of the said matter be regularised and the case may be decided on its merit.

3. M/s Helm did not accept the invocation of PBG by STC for recovering the differential/less amount in the transaction and approached the High Court of Delhi who referred the matter to ICA, New Delhi. The majority arbitration award was not in favour of STC. Subsequently, STC fought cases at legal forums to protect GOI's interests, however, both High Court and Supreme Court passed an order in favour of Helm indicating that M/s Helm was not contractually bound to restrict the quantity or price the additional quantity at a reduced rate and was contractually right to supply the additional quantity at the contracted price. Accordingly, as per the Court order, STC has paid the arbitral award amount of ₹ 92.05 crore approx. to M/s Helm. It is pertinent to mention here that Canara Bank (STC's bank who encashed Helm's PBG on STC's instructions) is seeking compensation for losses suffered by them for the period they were deprived of the PBG amount i.e. 2009-2011 as the Majority Arbitration Award did not delve upon Canara Bank's claim for interest for the period it was out of pocket (2009-2011) for the amount of PBG before Delhi International Arbitration Centre, New Delhi against Helm and STC. STC had been requesting DOF for payment of the arbitral award amount and losses suffered by STC as the said transaction was handled by the company on behalf and as per the instructions of DOF only. However, the payment is still awaited from DOF.

(iv) Contingent Assets:

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

Notes to accounts for the year ended March 31, 2023

(₹ in Lacs)

Particulars	31.03.2023	31.03.2022
Claims*	16,755.15	14,201.18
Advances*	40,237.04	37,497.14
Trade Receivables*	2,69,734.49	2,38,928.06
Others **	1,25,469.38	1,25,468.66
Total	4,52,196.07	4,16,095.04

*Contingent assets consist of claims (principal & interest) against those parties where either a provision has been made or has been written off. All these cases are pending at various level of court.

**Others includes net amount of ₹ 467 Lacs receivable from Income Tax Department w.r.t the corporation opting for VsV scheme for the Assessment Year 2011-12.

- (v) Pursuant to the demand letters dated 01.04.2020 issue to 27 officers (6 serving and 21 retired) (CMD/Director/CVO/CGMs) recovery has been made from 10 officers. Six officers have since approached Delhi High court against subject recovery out of which one officer expired in the year 2020. In respect of other 11 officers recovery suit has been filed by STC and the same are pending before the district court Patiala House New Delhi.

In the matter of writ petition number © 1564/2019 file before High court of Delhi on 04.02.2019 by 4 ex-Directors against the demand letters / show cause notice issued for recovery of access payment of works and allowance is be on 50% ceiling the honourable High court of Delhi wide order dated 25.04.2023 pronounce the judgment in their favour.

The above judgment dated 25.04.23 is being challenged by preferring appeal before the division bench of the honourable High court of Delhi.

39. Major Legal cases (Trade Receivables)

- STC has supplied HR Coils to M/s Conros Steel during 2009-10. Party has defaulted in making payment due against one of the LC amounting to ₹1,205 Lacs (LC Value ₹1,005 Lacs and Interest & other expenses ₹ 200 Lacs). STC has filed civil applications and criminal complaint under various sections of Indian Penal Code. The material sold to the associate 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 of ownership of stock, against which STC has filed declaratory suit in the lower court, Panvel, Navi Mumbai. Meantime, the Hon'ble Court has asked MSTC to conduct the sale of pledged stock and deposit the sale proceeds with the Hon'ble Court. Accordingly, MSTC conducted e-auction of the stock and deposited sale proceeds of ₹ 1,028 Lacs with the court. Further, the lender institutions have initiated proceeding under NCLT against the party, STC has filed its claim of ₹ 2,870 Lacs (including interest of ₹ 1,665 Lacs shown as contingent assets) before NCLT dated 21.08.2018.
- STC has exported Gold jewellery to various parties of UAE against which USD 1,61,705,695 equivalent to ₹ 78,765 Lacs is outstanding for recovery. STC had discounted 90% of the bills from EXIM Bank and paid 83.5 % to respective Indian Suppliers. As per the agreements with local supplier, local suppliers were responsible for remittances from the foreign buyers. As foreign buyers started to default from 2008-09 onwards, STC initiated criminal and civil proceedings against local suppliers to recover the outstanding dues which are still pending. However, against most of the Indian supporters, winding up orders have already been passed. Provision of ₹ 44,546 Lacs has been made and balance of ₹ 34,219 Lacs has not been provided as the same is payable to various local suppliers.
- Other trade receivables include ₹4,192 Lacs (approx.) 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 Mehek Overseas under various agreement against which corresponding credit balance of ₹ 4,192 Lacs appearing under Trade Receivables is payable under trade payable. Further, a financial assistance of ₹ 7,533 Lacs given by STC to M/s Mehek Overseas Ltd. (MOPL) for the purchase of Agri Commodities has already been written off during 2013-14. 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 ₹4,192 Lacs, no provision is considered necessary." During the FY-2022-23 no change in status.
- Trade receivables include ₹56,844 Lacs (approx.) 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. The foreign buyers i.e. M/s Loben Trading and M/s Sweetland, defaulted in making payment against the export bills. A claim of ₹52,786 Lacs has

Notes to accounts for the year ended March 31, 2023

been admitted by the liquidator of one of the foreign buyer i.e. Loben Trading Co.Pte Ltd, Singapore . A Decree of ₹ 6,247 Lacs has been passed by Hon'ble Mumbai High Court in favour of STC against the dues from 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 institutions have filed legal suit against RPL before DRT making STC also a party to the case claiming ₹ 47,647 Lacs.

5. Non-Current Claim Recoverable includes ₹ 392 Lacs from M/s Lichen Metals (the party) out of total exchange gain of ₹ 3,187 Lacs 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 ₹ 2,795 Lacs taken from holding company (M/s Edelweiss) of the party leaving a recoverable balance of ₹ 392 Lacs. However, holding company had approached for arbitration against adjustment of its deposit by STC against the dues of the party (i.e. subsidiary). Arbitration award was in favour of the holding company of the party. However, STC has filed an appeal against the arbitration award before the Hon'ble High Court which is still pending. Hence, no provision for the same has been made. STC has deposited ₹ 3,192 Lacs with Hon'ble High Court, Calcutta pending appeal in Edelweiss matter. The amount was kept as a security in the form of FD with High Court, pending appeal. The money was withdrawn by M/s Edelweiss and a sum of ₹ 277 Lacs is left which is the amount of interest accrued over a period of time. STC Kolkata has filed a petition GA no 3 of 2023 A.P no 424 of 2019 before the honourable Calcutta High court for directions to be issued to the Ld. Registrar Original side High court Calcutta to release the said some of INR 277 lying with the PL account of the registrar at the reserve Bank of India Kolkata to the petitioner. The matter appeared for hearing before Calcutta High court on 25.04.2023 where in honourable justice Shekhar Saraf has ordered to file affidavit in opposition two weeks from date and reply thereto if any be filed one week thereafter next date of hearing in the opposite matter is awaited.
6. STC has exported 19,980 MTs Rice for amounting to USD 60,93,900 (equivalent to ₹4,065 Lacs) 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 ₹ 415 Lacs 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 ₹ 415 Lacs 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. Further in subsequent joint meeting of FCI, STC & MEA, it was decided that MEA shall pay the amount due of ₹ 415 Lacs. STC is not out of pocket and on receipt, amount will be passed to FCI. However, vide letter dated 08.10.2021, MEA has informed that they have made full and final settlement of ₹ 27,97,96,833/- on 27.12.2020 with Department of Food and Public Distribution. STC vide letter dated 29.10.2021 submitted that STC is not privy to said settlement and requested that the details may be shared with STC. Reminder to said letter was again forwarded vide letter dated 09.05.2023.
7. STC has exported steel plates to Iranian Gas Engineering & Development Co. (IGEDC, Iran) during 2014-15 to 2016-17 for amounting to ₹ 2,87,324 Lacs under a contract which expired in January 2017. As on balance sheet date ₹ 9,078 Lacs reconciled is still outstanding. The amount outstanding will be paid by IGEDC, Iran. In the present case STC is not out of pocket since the amount outstanding from IGEDC on receipt is payable to back-up supplier M/s Essar Steel Ltd., Hazaria (now M/s Arcelor Mittal Nippon Steel India Limited) and accordingly no provision has been made.
8. Trade receivables include an amount of ₹ 1,054 Lacs 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 ₹ 696 Lacs has been made as the said amount is secured by mortgage of free hold land. A provision of ₹ 358 Lacs has been made against the dues. Tender was floated for the sale of mortgaged property at Dankuni, however, no bids were received. Efforts are being made through Liquidation process as well for recovery of dues as based on Liquidator's acceptance of STC's claim, STC has won the arbitration award of ₹ 2,974.95 lacs in its favour. The matter is proceeding before the Official Liquidator as per norms of Liquidation.
9. Non-Current Claim Recoverable includes ₹ 392 Lacs from M/s Lichen Metals (the party) out of total exchange gain of ₹ 3,187 Lacs 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 ₹ 2,795 Lacs taken from holding company (M/s Edelweiss) of the party leaving a recoverable balance of ₹ 392 Lacs. However, holding company had

Notes to accounts for the year ended March 31, 2023

approached for arbitration against adjustment of its deposit by STC against the dues of the party (i.e. subsidiary). Arbitration award was in favour of the holding company of the party. However, STC has filed an appeal against the arbitration award before the Hon'ble High Court which is still pending. Hence, no provision for the same has been made. STC has deposited ₹ 3,192 Lacs with Hon'ble High Court, Calcutta pending appeal in Edelweiss matter. The amount was kept as a security in the form of FD with High Court, pending appeal. The money was withdrawn by M/s Edelweiss and a sum of ₹ 277 Lacs is left which is the amount of interest accrued over a period of time. STC Kolkata has filed a petition GA no 3 of 2023 A.P no 424 of 2019 before the honourable Calcutta High court for directions to be issued to the Ld. Registrar Original side High court Calcutta to release the said some of INR 277 lying with the PL account of the registrar at the reserve Bank of India Kolkata to the petitioner. The matter appeared for hearing before Calcutta High court on 25.04.2023 where in honourable justice Shekhar Saraf has ordered to file affidavit in opposition two weeks from date and reply thereto if any be filed one week thereafter next date of hearing in the opposite matter is awaited.

10. As Samsung did not agree with the penalty imposed by STC and the subsequent encashment of PBG by STC in the matter, Samsung initiated arbitration proceedings against STC and STC also filed its counter claim. As per the Arbitral award, Samsung is entitled to the return of a sum of USD 15,62,430.88 plus interest @ 8% from 26.12.2016 by STC. STC filed an appeal against the said arbitration award before Delhi High Court. The Hon'ble Delhi High Court had only granted conditional stay in the matter upon deposit of the principal amount awarded by the Ld. Sole Arbitrator. Accordingly, STC deposited ₹ 11.03 Cr approx. with the Court as per its directions. Department of Fertilizers has till date not withdrawn the penalty imposed by them in the said transaction.
11. STC received a demand of ₹ 8,002 Lacs 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 of ₹ 8,002 Lacs, STC has paid ₹ 2,212 Lacs during 2016-17 against which CCIC has paid its share of ₹ 115 Lacs. However, HHEC has not paid its share, hence provision to the extent of share of HHEC out of payment of ₹ 2,212 Lacs has already been made.
12. Advances includes a sum of ₹ 8,739 Lacs receivable from M/s MMT Nevyali, excluding contingent assets of ₹ 32,238 Lacs recoverable from one of the business associates, against which the company has initiated legal actions including criminal proceedings. In this regard, full provision has been made in earlier years. The Company was successful in getting arbitration award for ₹ 11,000 Lacs in its favour along with 12% interest per annum from 1st May 2006 till realization of award. However, the party and its partner filed application under sec 34 of arbitration act challenging the arbitral award. The applications have been heard and arguments completed on 28.01.2021 and order is reserved. Further, under execution petition of STC filed in 2018, contempt petition was filed against M/s MMT for disposing of their properties despite court restrictions in 2006. Court on 02.05.2023 directed M/s MMT to file its reply and be present I person on 24.05.2023.
13. Trade receivables of ₹ 5 Lacs (excluding Contingent Assets) is receivable from M/s Balasore Alloys, the business associate. Various legal cases i.e u/s 138 of N.A Act & u/s 482 of Cr. PC are pending before Hon'ble Courts in New Delhi are being pursued vigorously. STC in total has received ₹ 5,855 Lacs in terms of interim award dated 23.03.2017 of Arbitral Tribunal. Both side arguments got over and written submissions had also been submitted during January, 2020. However, as ICA was not publishing the award for want of payment of ₹ 50,47,250/- from M/s BAL and in absence of award, STC cannot proceed further with the execution of award. Hence an application requesting Hon'ble High Court of Delhi (DHC) to direct ICA for publication of award was filed during October, 2021. During the hearing held on 23.03.2023, Hon'ble DHC has directed that M/s Balasore Alloys Ltd. shall deposit the entire fee with the Indian Council of Arbitration within a period of 08 weeks.
14. STC filed its petition dtd 15.06.2021 before AMRCD for recovery of its outstanding dues for ₹ 22,172 Lacs from DOCA under various accounts arising out of implementation of 15% subsidy scheme of Pulses. AMRCD vide order dtd 29.05.2022 dropped STC's claims of ₹ 9,734 Lacs and ₹ 3,012 Lacs and accepted STC's claim of ₹ 1,880 Lacs to the extent of ₹ 1,425 Lacs. However on STC's claim of ₹ 7,546 Lacs pertaining to M/s JK International as the matter is sub-judice, STC has been asked to take up the matter afresh before AMRCD after Court decision, if felt necessary. STC is following up with DoCA for releasing the awarded amount of ₹ 1425 lacs to STC.

40. Commitments

(₹ in Lacs)

Particulars	31.03.2023	31.03.2022
Capital Commitments :		
PPE	102.44	199.31

Notes to accounts for the year ended March 31, 2023

(₹ in Lacs)

Particulars	31.03.2023	31.03.2022
Intangible Assets	6.37	6.37
Total	108.80	205.68
Other Commitments	-	-

41. Disclosures in respect of Ind AS 107 - Financial Instruments

41.1 Financial Instruments by Categories & 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 carrying value and fair value of financial instruments by categories were as follows:

(a) As on March 31, 2023

(₹ in Lacs)

Particulars	Hierarchy Level	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)	3	1.04	-	-	1.04	1.04
Cash & Cash Equivalents (Ref Note No. 16)	3	859.25	-	-	859.25	859.25
Bank Balances other than cash & cash equivalents (Ref Note No. 17)	3	-	-	-	-	-
Trade Receivable (Ref Note No. 9)	3	1,06,946.18	-	-	1,06,946.18	1,06,946.18
Employee Loans (Ref Note No. 10)	3	320.19	-	-	320.19	320.19
Security Deposits (Ref Note No. 10)	3	3,254.43	-	-	3,254.43	3,254.43
Other Financial Assets (Ref Note No. 11)	3	30,149.24	-	-	30,149.24	30,149.24
Total		1,41,530.32	-	-	1,41,530.32	1,41,530.32
Financial Liabilities:						
Trade Payable (Ref Note No. 21)	3	1,11,708.55	-	-	1,11,708.55	1,11,708.55
Borrowings (Ref Note No. 20 & 22)	3	80,623.24	-	-	80,623.24	80,623.24
Other Financial Liabilities (Ref Note No. 22)	3	39,945.35	-	-	39,945.35	39,945.35
Total		2,32,277.15	-	-	2,32,277.15	2,32,277.15

Notes to accounts for the year ended March 31, 2023

(b) As on March 31, 2022

(₹ in Lacs)

Particulars	Hierarchy Level	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)	3	1.04	-	-	1.04	1.04
Cash & Cash Equivalents (Ref Note No. 16)	3	2,842.16	-	-	2,842.16	2,842.16
Bank Balances (Ref Note No. 17)	3	-	-	-	-	-
Trade Receivable (Ref Note No. 9)	3	1,06,691.79	-	-	1,06,691.79	1,06,691.79
Employee Loans (Ref Note No. 10)	3	366.59	-	-	366.59	366.59
Security Deposits(Ref Note No. 10)	3	3,262.21	-	-	3,262.21	3,262.21
Other Financial Assets (Ref Note No. 11)	3	24,620.70	-	-	24,620.70	24,620.70
Total		1,37,784.49	-	-	1,37,784.49	1,37,784.49
Financial Liabilities:						
Trade Payable (Ref Note No. 21)	3	1,11,960.60	-	-	1,11,960.60	1,11,960.60
Borrowings (Ref Note No. 20 & 22)	3	80,623.24	-	-	80,623.24	80,623.24
Other Financial Liabilities (Ref Note No. 22)	3	39,677.68	-	-	39,677.68	39,677.68
Total		2,32,261.52	-	-	2,32,261.52	2,32,261.52

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.

41.2 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
Market risk- Security price fluctuation	Mutual fund Investments	Sensitivity analysis
Credit risk	Cash and cash equivalent, trade receivables, security deposits, financial instruments.	Ageing analysis Credit rating
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts

Notes to accounts for the year ended March 31, 2023

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 31.03.2023

(₹ in Lacs)

Particulars	US Dollars (in Equiv. INR)	Euro (in Equiv. INR)	Other Currencies (in Equiv. INR)	Total
Cash & cash equivalents	-	-	-	-
Trade Receivable	1,47,199.58	1,821.16	-	1,49,020.73
Freight Demurrage/Despatch Receivable	-	-	-	-
Other Receivable	-	-	-	-
Total Receivable in Foreign Currency	1,47,199.58	1,821.16	-	1,49,020.73
Foreign currency Loan Payable	-	-	-	-
Interest on foreign currency loan payable	-	-	-	-
Trade Payables	3,420.95	-	4.63	3,425.58
Freight Demurrage/despatch payable	-	-	-	-
Provision towards Litigation settlement	-	-	-	-
Others (if any)	-	-	-	-
Total payable in Foreign currency	3,420.95	-	4.63	3,425.58
Net Assets/(Liabilities)	1,43,778.63	1,821.16	(4.63)	1,45,595.15

(b) As on 31.03.2022

(₹ in Lacs)

Particulars	US Dollars (in Equiv. INR)	Euro (in Equiv. INR)	Other Currencies (in Equiv. INR)	Total
Cash & cash equivalents	-	-	-	-
Trade Receivable	1,41,139.64	1,479.67	-	1,42,619.31
Freight Demurrage/Despatch Receivable	-	-	-	-
Other Receivable	-	-	-	-
Total Receivable in Foreign Currency	1,41,139.64	1,479.67	-	1,42,619.31
Foreign currency Loan Payable	-	-	-	-
Interest on foreign currency loan payable	-	-	-	-
Trade Payables	1,665.41	-	4.25	1,669.66
Freight Demurrage/despatch payable	-	-	-	-
Provision towards Litigation settlement	-	-	-	-
Others (if any)	-	-	-	-
Total payable in Foreign currency	1,665.41	-	4.25	1,669.66
Net Assets/(Liabilities)	1,39,474.24	1,479.67	(4.25)	1,40,949.66

Notes to accounts for the year ended March 31, 2023

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, 2023	March 31, 2022
Increase by -%	Negligible or no impact	
Decrease by -%		

ii) Interest rate risk

The company's main interest rate risk arises from long term and short term borrowings with variable rates, which expose the company to cash flow interest rate risk. During March 31, 2020 and March 31, 2019, Company's borrowings are denominated in INR.

The exposure of company's borrowings to interest rate changes at the end of reporting period are as follows:

(₹ in Lacs)

Particulars	March 31, 2023	March 31, 2022
Variable rate borrowings	-	-
Fixed rate borrowings	80,623.24	80,623.24
Total borrowings	80,623.24	80,623.24

Sensitivity

Profit or loss is sensitive to higher/lower expense from borrowings as a result of change in interest rates. The table summarises the impact of increase/decrease in interest rates on Profit or loss.

Particulars	Impact on profit after tax	
	March 31, 2023	March 31, 2022
Interest rates- increase by (%)	No Impact	
Interest rates- decrease by (%)		

iii) Security price fluctuation risk

The company's exposure to security price risk arises from company's investments in mutual funds and classified in the balance sheet as fair value through profit and loss.

Sensitivity

The table below summarises the impact of increase/decrease of the investment by certain percentage on Profit or Loss of the company.

Particulars	Impact on profit after tax	
	March 31, 2023	March 31, 2022
Interest rates- increase by (%)	No Impact	
Interest rates- decrease by (%)		

b) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables and unbilled revenue. Accordingly, credit risk from trade receivables has been separately evaluated from all other financial assets in the following paragraphs.

Notes to accounts for the year ended March 31, 2023

Trade Receivables & Unbilled Revenue

(₹ in Lacs)

Particulars	31.03.2023	31.03.2022
Trade Receivables	1,69,673.81	1,69,419.41
Unbilled Revenue	-	-

Trade receivables and unbilled revenue are both secured & unsecured and are derived from revenue earned from customers. On account of adoption of Ind-AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the company's historical experience for customers.

Credit risk exposure

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

(₹ in Lacs)

Particulars	March 31, 2023		March 31, 2022	
	Gross	Impairment	Gross	Impairment
Not past due	-	-	-	-
Past due upto 6 Months	-	-	-	-
Past due more than six months but not more than one year	-	-	-	-
More than one year	1,69,673.81	62,727.62	1,69,419.41	62,727.62
Total	1,69,673.81	62,727.62	1,69,419.41	62,727.62

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 (Note if any impairment provisions are made against these financial assets then information to be provided)

c) Liquidity Risk

Our liquidity needs are monitored on the basis of monthly and yearly projections. The company's principal sources of liquidity are cash and cash equivalents, cash generated from operations and credit facilities from banks

We manage our liquidity needs by continuously monitoring cash inflows and by maintaining adequate cash and cash equivalents. Net cash requirements are compared to available cash in order to determine any shortfalls.

Short term liquidity requirements consists mainly of sundry creditors, expense payable, employee dues arising during the normal course of business as of each reporting date. We maintain a sufficient balance in cash and cash equivalents to meet our short term liquidity requirements.

We assess long term liquidity requirements on a periodical basis and manage them through internal accruals.

The table below provides details regarding the contractual maturities of non-derivative financial liabilities. The table have been drawn up based on the undiscovered cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The table includes both principal & interest cash flows.

Notes to accounts for the year ended March 31, 2023

(a) As on March 31, 2023

(₹ in Lacs)

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	-	-	2.87	159.60	1,11,546.08	1,11,708.55
Short term borrowings	-	-	-	80,623.24	-	80,623.24
Other Financial Liabilities	15,255.69	404.12	5,552.84	7,957.99	10,774.71	39,945.35
Total	15,255.69	404.12	5,555.72	88,740.83	1,22,320.79	2,32,277.15

(b) As on March 31, 2022

(₹ in Lacs)

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	-	29,840.90	639.51	1,062.37	80,417.81	1,11,960.60
Short term borrowings	-	-	80,623.24	-	-	80,623.24
Other Financial Liabilities	15,153.46	401.41	5,515.64	7,904.66	10,702.51	39,677.68
Total	15,153.46	30,242.32	86,778.39	8,967.03	91,120.32	2,32,261.52

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

The amount of exchange differences (net) debited/credited to the Statement of Profit & Loss ₹ - 80.51 lacs (P.Y. ₹80.51 lacs.)

43. 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, 2023 & March 31, 2022 respectively.

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

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

45. 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.

Notes to accounts for the year ended March 31, 2023

Inter segment Transfer

Inter segment prices are normally negotiated among segments with reference to the cost, market price and business risk. Profit or loss on inter segment transfers are eliminated at the company level.

Segment Revenues and Results

(a) for the year ended March 31, 2023

(₹ in Lacs)

S. No.	Particulars	Export	Import	Domestic	Unallocated	Total
1	Segment Revenue	-	-	-	-	-
1(a)	External Sales	-	-	-	-	-
1(b)	Inter segment revenue	-	-	-	-	-
	Segment Revenue (1(a) + 1 (b))	-	-	-	-	-
2	Segments Results	-	-	-	-	-
3 (a)	Unallocated Corporate expenses net of unallocated income	-	1.55	-	(2,777.74)	(2,776.18)
3 (b)	Interest Expense	72.85	-	-	-	72.85
3 (c)	Interest Income	-	-	-	(983.58)	(983.58)
	Total [3(a)+3(b)+3(c)]	72.85	1.55	-	(3,761.31)	(3,686.92)
4	Profit before tax from ordinary activities [(2)- 3(a),(b) & (c)]	(72.85)	(1.55)	-	3,761.31	3,686.92
5	Exceptional Items	-	-	-	(24.18)	(24.18)
6	Income taxes	-	-	-	421.95	421.95
7	Net Profit after tax (4)- (5) -(6)	(72.85)	(1.55)	-	3,363.55	3,289.15
8	Interest in results of JV's	-	-	-	-	-
9	Other Information :	-	-	-	-	-
9 (a)	Segment Assets	9,078.38	96,149.06	-	1,28,626.16	2,33,853.59
9 (b)	Segment Liabilities	11,323.53	1,05,286.56	-	1,31,650.14	2,48,260.23
9 (c)	Capital Expenditure	-	-	-	-	-
9 (d)	Depreciation	-	-	-	-	-
9 (e)	Non-Cash expenses other than depreciation	72.85	-	-	-	72.85

(b) for the year ended March 31, 2022

(₹ in Lacs)

S. No.	Particulars	Export	Import	Domestic	Unallocated	Total
1	Segment Revenue	-	-	-	-	-
1(a)	External Sales	-	-	-	-	-
1(b)	Inter segment revenue	-	-	-	-	-
	Segment Revenue (1(a) + 1 (b))	-	-	-	-	-
2	Segments Results	-	-	-	-	-
3 (a)	Unallocated Corporate expenses net of unallocated income	-	273.58	-	9,502.89	9,776.47
3 (b)	Interest Expense	-	-	-	-	-

Notes to accounts for the year ended March 31, 2023

S. No.	Particulars	Export	Import	Domestic	Unallocated	Total
3 (c)	Interest Income	(72.85)	-	-	(635.82)	(708.67)
	Total [3(a)+3(b)+3(c)]	(72.85)	273.58	-	9,999.52	10,200.26
4	Profit before tax from ordinary activities [(2)- 3(a),(b) & (c)]	(72.85)	(273.58)	-	2,576.63	2,230.20
5	Exceptional Items	-	-	-	7,089.93	7,089.93
6	Income taxes	-	-	-	4,536.95	4,536.95
7	Net Profit after tax (4)- (5) -(6)	(72.85)	(273.58)	-	(9,050.25)	(9,396.67)
8	Interest in results of JV's	-	-	-	-	-
9	Other Information :	-	-	-	-	-
9 (a)	Segment Assets	9,036.22	95,332.14	-	1,25,364.73	2,29,733.09
9 (b)	Segment Liabilities	10,648.30	1,05,825.97	-	1,33,016.04	2,49,490.31
9 (c)	Capital Expenditure	-	-	-	-	-
9 (d)	Depreciation	-	-	-	-	-
9 (e)	Non-Cash expenses other than depreciation	72.85	-	-	-	72.85

(ii) Information about major customers

For the year ended March 31, 2023

(₹ in Lacs)

Major Customer (customer having more than 10% revenue)	Export	Import	Domestic
	Year ended March 31, 2023	Year ended March 31, 2023	Year ended March 31, 2023
Total Revenue	NIL		
Name of Major Customer :			
% of Total Revenue			

NOTE NO. 46 :

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.

(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.

Notes to accounts for the year ended March 31, 2023

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:

(₹ in Lacs)

Net defined benefit (asset)/liability :	31.03.2023	31.03.2022
Current	433.40	487.11
Non-Current	1,131.17	1,226.28
Total PBO at the End of year	1,564.57	1,713.40

Movement in net defined benefit (asset)/liability

(₹ in Lacs)

S. No.	Particular	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit (asset) liability	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
A	Opening balance	1,713.40	2,165.96	1,518.36	2,144.59	195.03	21.37
B	Included in profit or loss:	-	-	-	-	-	-
(i)	Current service cost	51.17	59.81	-	-	51.17	59.81
(ii)	Past service cost	-	-	-	-	-	-
(iii)	Interest cost (income)	119.94	144.69	(105.67)	(143.26)	14.26	1.43
	Total amount recognised in profit or loss (i+ii+iii)	171.11	204.49	(105.67)	(143.26)	65.44	61.23
C	Included in OCI:	-	-	-	-	-	-
	Remeasurement loss (gain):	-	-	-	-	-	-
	Actuarial loss (gain) arising from:	-	-	-	-	-	-
(i)	Financial assumptions	(29.46)	(29.85)	-	-	(29.46)	(29.85)
(ii)	Experience adjustment	(5.09)	113.20	-	-	(5.09)	113.20
(iii)	Demographic Assumption	-	-	-	-	-	-
(iv)	Return on plan assets excluding interest income	-	-	-	29.08	-	29.08
	Total amount recognised in other comprehensive income (i+ii+iii)	(34.54)	83.35	-	29.08	(34.54)	112.43
D	Other	-	-	-	-	-	-
E	Contribution Paid to the Fund	-	-	195.03	-	(195.03)	-
F	Benefits paid	(285.39)	(740.41)	(285.39)	(740.41)	-	-
G	Acquisition Adjustment	-	-	-	-	-	-
h	Closing balance (A+B-C+D+E+F+g)	1,564.57	1,713.40	1,533.68	1,518.36	225.93	195.03

Notes to accounts for the year ended March 31, 2023

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

(₹ in Lacs)

S.No.	Particulars	31.03.2023	31.03.2022
(A)	Balance with Bank		
	SBI	0.07	0.07
	Yes Bank	-	-
	IDBI	1.11	9.57
	Total (A)	1.18	9.64
(B)	Group Gratuity Traditional Fund Scheme	-	-
	Bajaj Allianz	1,227.51	1,140.12
	SBI Life	1.70	1.58
	HDFC Standard Life Insurance	317.86	376.65
	Total (B)	1,547.07	1,518.35
	Grand Total (A+B)	1,548.25	1,527.99

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:

(₹ in Lacs)

Net defined benefit (asset)/liability :	31.03.2023	31.03.2022
Current	708.35	930.06
Non-Current	9,350.11	10,447.74
Total PBO at the End of year	10,058.46	11,377.80

Movement in net defined benefit (asset)/liability

(₹ in Lacs)

S. No.	Particular	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit (asset) liability	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
A	Opening balance	11,377.80	11,461.17	-	-	11,377.80	11,461.17
B	Included in profit or loss:	-	-	-	-	-	-
(i)	Current service cost	34.78	41.65	-	-	34.78	41.65
(ii)	Past service cost	-	-	-	-	-	-
(iii)	Interest cost (income)	796.45	765.61	-	-	796.45	765.61
	Total amount recognised in profit or loss	831.23	807.26	-	-	831.23	807.26
C	Included in OCI:	-	-	-	-	-	-
	Remeasurement loss (gain):	-	-	-	-	-	-
	Actuarial loss (gain) arising from:	-	-	-	-	-	-
(i)	Financial assumptions	(2,027.51)	(671.63)	-	-	(2,027.51)	(671.63)

Notes to accounts for the year ended March 31, 2023

(₹ in Lacs)

S. No.	Particular	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit (asset) liability	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
(ii)	Experience adjustment	-	-	-	-	-	-
(iii)	Return on plan assets excluding interest income	-	-	-	-	-	-
	Total amount recognised in other comprehensive income	(2,027.51)	(671.63)	-	-	(2,027.51)	(671.63)
D	Other	-	-	-	-	-	-
E	Benefits paid	(123.06)	(219.00)	-	-	(123.06)	(219.00)
F	Closing balance (A+B+C+D+E)	10,058.46	11,377.80	-	-	10,058.46	11,377.80

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

(₹ in Lacs)

Net defined benefit (asset)/liability :	31.03.2023	31.03.2022
Current	180.24	179.53
Non-Current	734.54	731.08
Total PBO at the End of year	914.78	910.62

Movement in net defined benefit (asset)/liability

(₹ in Lacs)

S. No.	Particular	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit (asset) liability	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
A	Opening balance	910.62	968.44	-	-	910.62	968.44
B	Included in profit or loss:	-	-	-	-	-	-
(i)	Current service cost	46.48	49.40	-	-	46.48	49.40
(ii)	Past service cost	-	-	-	-	-	-
(iii)	Interest cost (income)	63.74	64.69	-	-	63.74	64.69
C	Remeasurement loss (gain):	-	-	-	-	-	-
	Actuarial loss (gain) arising from :	-	-	-	-	-	-
(i)	Financial assumptions	(25.28)	(23.68)	-	-	(25.28)	(23.68)
(ii)	Experience adjustment	3.67	42.57	-	-	3.67	42.57
(iii)	Demographic Assumption	-	-	-	-	-	-
(iii)	Return on plan assets excluding interest income	-	-	-	-	-	-
	Total amount recognised in profit or loss (B+C)	88.62	132.99	-	-	88.62	132.99
D	Other	-	-	-	-	-	-

Notes to accounts for the year ended March 31, 2023

(₹ in Lacs)

S. No.	Particular	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit (asset) liability	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
E	Benefits paid	(84.46)	(190.81)	-	-	(84.46)	(190.81)
	Closing balance (A+B+C+D+E)	914.78	910.62	-	-	914.78	910.62

Sick Leave

(₹ in Lacs)

Net defined benefit (asset)/liability :	31.03.2023	31.03.2022
Current	69.04	88.37
Non-Current	297.37	280.78
Total PBO at the End of year	366.41	369.14

Movement in net defined benefit (asset)/liability

(₹ in Lacs)

S. No.	Particular	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit (asset) liability	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
A	Opening balance	369.14	374.48	-	-	369.14	374.48
B	Included in profit or loss:	-	-	-	-	-	-
(i)	Current service cost	16.52	16.09	-	-	16.52	16.09
(ii)	Past service cost	-	-	-	-	-	-
(iii)	Interest cost (income)	25.84	25.02	-	-	25.84	25.02
C	Remeasurement loss (gain):	-	-	-	-	-	-
	Actuarial loss (gain) arising from :	-	-	-	-	-	-
(i)	Financial assumptions	(9.13)	(7.71)	-	-	(9.13)	(7.71)
(ii)	Experience adjustment	(14.09)	2.20	-	-	(14.09)	2.20
(iii)	Demographic Assumption	-	-	-	-	-	-
(iv)	Return on plan assets excluding interest income	-	-	-	-	-	-
	Total amount recognised in profit or loss (B+C)	19.13	35.60	-	-	19.13	35.60
D	Other	-	-	-	-	-	-
E	Benefits paid	(21.87)	(40.94)	-	-	(21.87)	(40.94)
	Closing balance (A+B+C+D+E)	366.41	369.14	-	-	366.41	369.14

E Other Benefits

Service awards are given to regular employees for rendering continuous service in the Company for long service rendered by them on completion of 15/25/30/35/38 years of service. Besides this, service award @ ₹ 1,000/- per year for each completed year of service is also given at the time of retirement subject to a maximum of ₹ 30,000/-. The same has been discontinued vide personnel division Circular dated 13.06.2017.

Notes to accounts for the year ended March 31, 2023

F Actuarial Assumptions

The following were the principal actuarial assumptions at the reporting date

(₹ in Lacs)

S.No.	Particulars	31.03.2023	31.03.2022
1	Discount Rate	7.35%	7.00%
2	Future Salary Increase	8%	8.00%
3	Medical Cost Increase	8%	8%

- The discount rate is based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that of the liability
- Salary Growth rate is company's long term best estimate as to salary increases & takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting period.
- Medical Cost increase rate is company's long term best estimate as to cost increases taking into account of inflation, other relevant factors on long term basis as provide in relevant accounting period.

G Sensitivity Analysis

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 31.03.2023

Assumption	Change in Assumption	Gratuity	PRMB	Earned Leave	Half Pay Leave
		(Funded)	(Non Funded)		
Discount rate	0.50%	(39.81)	(552.63)	(33.56)	(12.28)
	-0.50%	42.50	576.92	36.41	13.22
Salary growth rate	0.50%	10.83	-	35.83	13.01
	-0.50%	(11.64)	-	(33.54)	(12.27)
Medical Cost Increase	0.50%	-	592.61	-	-
	-0.50%	-	(565.65)	-	-

As on 31.03.2023

Assumption	Change in Assumption	Gratuity	PRMB	Earned Leave	Half Pay Leave
		(Funded)	(Non Funded)		
Discount rate	0.50%	(44.14)	(625.12)	(34.51)	(11.42)
	-0.50%	47.23	652.59	37.69	12.17
Salary growth rate	0.50%	14.03	-	36.91	11.93
	-0.50%	(14.90)	-	(34.43)	(11.39)
Medical Cost Increase	0.50%	-	670.35	-	-
	-0.50%	-	(639.85)	-	-

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

Notes to accounts for the year ended March 31, 2023

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

As on 31.03.2023

(₹ in Lacs)

Assumption	Gratuity	PRMB	Earned Leave	Half Pay Leave
	(Funded)	(Non Funded)		
Less than 1 year	433.40	69.04	180.24	708.35
Between 1-2 years	151.61	34.82	75.73	781.35
Between 2-3 years	210.51	35.79	86.43	800.40
Between 3-4 years	100.51	22.00	53.25	843.82
Between 4-5 years	51.28	10.08	27.84	898.70
Over 5 years	617.27	194.49	491.30	6,025.84

Maturity Profile of Defined Benefit Obligations

As on 31.03.2022

(₹ in Lacs)

Assumption	Gratuity	PRMB	Earned Leave	Half Pay Leave
	(Funded)	(Non Funded)		
Less than 1 year	487.11	930.06	179.53	88.37
Between 1-2 years	169.53	1,079.92	77.86	34.66
Between 2-3 years	136.74	1,105.24	63.04	29.85
Between 3-4 years	192.10	1,166.25	74.90	31.23
Between 4-5 years	92.97	1,242.10	46.31	19.12
Over 5 years	634.94	5,853.23	468.97	165.91

47. Disclosure in respect of Indian Accounting Standard 24 "Related Parties Disclosures

a. List of Related Party

(i) **Subsidiaries:** STCL Ltd.(ii) **Joint Ventures:** N.S.S Satpura Agro Development Company Limited(iii) **Others:** Sealac Agro Ventures Ltd.

Notes to accounts for the year ended March 31, 2023

b. Key Managerial Personnel (KMP)

Name	Designation	Remarks
Shri. NAN Jayakumar	Director-Marketing	w.e.f 12.06.2019
Shri. Kapil Kumar Gupta	Director- Marking (MMTC)	Additional Charge of STC w.e.f. 03.06.2020
Shri. DP Mishra	Chief General Manager	w.e.f 03.03.2021
Shri. S.K. Meena	Joint General Manager	w.e.f 03.03.2021
Shri B.S Rao	Chief Financial Officer	w.e.f 12.02.2022
Shri Vipin Kumar Tripathi	Company Secretary	w.e.f. 20.12.2019

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 hold majority of shares (refer note no. 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 exemption available for government related entities and has made limited disclosure 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:

As on 31.03.2022

(₹ in Lacs)

Subsidiaries and Joint Venture Companies Particulars	Subsidiaries		Joint Venture Companies	
	2022-23	2021-22	2022-23	2021-22
Rent Received (₹ Lacs)	2.40	2.40	NIL	

Compensation to Key Management Personnel

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
- Short-term Employee benefits	62.93	183.69
- Post-employment benefits	179.34	179.34
- Termination benefits	-	-
- Other long-term benefits	19.26	19.26
Total	261.53	382.30

Particular	The STC of India Ltd. Employees Provident Fund Trust		STC Employee Defined Contribution Superannuation Pension Trust		The STC Gratuity Fund Trust	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
STC Contribution for the year	153.41	172.87	112.82	125.42	-	-
Outstanding Balance at the end of the Year with STC	12.81	39.69	9.42	15.06	30.90	195.03

Notes to accounts for the year ended March 31, 2023

Transactions with the Related Parties under the control of the same Government

(₹ in Lacs)

S. No.	Name of the Govt. Deptt. / Govt. entity	Nature of relationship with Entity	Nature of Transaction	2022-23	2021-22
1	SBI Personalised Banking Branch	Govt	Rent+CMC	183.25	183.25
2	SBI IFB Branch	Govt	Rent+CMC	729.68	729.68
3	SBI CAG Branch	Govt	Rent+CMC	643.02	643.02
4	SBI Overseas Branch	Govt	Rent+CMC	921.99	921.99
5	Special Protection Group	Govt	Rent+CMC	31.44	31.44
6	Security Printing & Minting Corporation	Govt	Rent+CMC	788.49	583.91
7	IRCTC	Govt	Rent+CMC	19.24	19.24
8	Office of Chief Comptroller	Govt	Rent+CMC	-	361.85
9	Capacity Building Commission	Govt	Rent+CMC	831.70	-
10	Department of admist. Reform and Public gravience	Govt	Rent+CMC	1,479.09	1,479.09
11	Department of Economic Affairss	Govt	Rent+CMC	1,470.39	588.31
12	NCLT	Govt	Rent+CMC	317.49	280.04
13	ONGC	Govt	Rent+CMC	210.99	210.99
14	Commission of Air Quality Index	Govt	Rent+CMC	678.33	621.80
15	DOPT	Govt	Rent	-	723.88

ii) Outstanding balances with related parties are as follows:

Net defined benefit (asset)/liability :	March 31, 2023	March 31, 2022
Amount recoverable towards loans :	NIL	
- From Subsidiaries		
- From Joint Ventures		
- From Key Managerial personnel		
- From Others		
Amount recoverable other than loans :		
- From Subsidiaries	0.02	0.02
- From Joint Ventures	NIL	
- From Key Managerial personnel		
- From Post employment benefit plans		
Amount Payable	NIL	
- From Subsidiaries		
- From Joint Ventures		
- From Key Managerial personnel		
- From Others		

Notes to accounts for the year ended March 31, 2023

iii) Individually Significant Transactions :

Particulars	Nature of relationship	March 31, 2023	March 31, 2022
NIL			

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.

48. DISCLOSURE AS PER IND AS 27 'SEPARATE FINANCIAL STATEMENTS'

a) Investment in Subsidiaries:

Company Name	Country of Incorporation	Proportion of Ownership	
		March 31, 2023	March 31, 2022
NSS Satpura Agro Development Company Limited	India	25%	25%
Richfield Aquatech Ltd.	Investment have been written off in earlier years		
Blue Gold Maritech Ltd.			
National Tannery Company Ltd.			
Indopirin Gloves Limited.			

49 Disclosure in respect of Indian Accounting standard (Ind AS) 116 "Leases"

49.1 As lessee

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation charged for right to use asset	-	-
Interest expense on lease liability	-	-
Expense related to short term lease (less than 12 months)	-	-
total cashoutflow for leases	-	-
additions to right to use assets	-	-
the carrying amount of right to use assets at the end of reporting period by class of underlying asset	-	-

49.2 As lessor

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Within less than 1 year	NIL	
Between 1 year and 5 years		
After more than 5 years		

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Income - generating property	7,334.58	6,655.99
Vacant Property		
Self Occupied Property		

Notes to accounts for the year ended March 31, 2023

50. 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:

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Face Value Per Equity Share (₹)	10	10
Profit (loss) for the year, attributable to the owners of the company (A)	5,350.59	(8,837.48)
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	600.00	600.00
Basic EPS (A/B)	8.92	(14.73)

b) Diluted EPS

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

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit (loss) for the year, attributable to the owners of the company (A)	5,350.59	(8,837.48)
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	600.00	600.00
Diluted EPS (A/B)	8.92	(14.73)

51. Dividends

(₹ Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) No. of Equity Shares (in crore)	600.00	600.00
(ii) Dividends not recognised at the end of year.	-	-

52. Assets Pledged as Security

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current/Non-current	NIL	
Financial/Non-Financial Assets		
First Charge/Floating Charge	Trade Receivables of the company	

53. Disclosure

Following Ratios to be disclosed:-

(a) Current Ratio,	0.61	0.60
(b) Debt-Equity Ratio,	(17.23)	(12.63)
(c) Debt Service Coverage Ratio,	0.05	(0.06)
(d) Return on Equity Ratio,	-	-
(e) Inventory turnover ratio,	-	-
(f) Trade Receivables turnover ratio,	-	-

Notes to accounts for the year ended March 31, 2023

(g) Trade payables turnover ratio,	-	-
(h) Net capital turnover ratio,	-	-
(i) Net profit ratio,	-	-
(j) Return on Capital employed,	(0.26)	0.25
(k) Return on investment.	-	-

1. Current Ratio : Current Assets/ Liabilities, Current Assets include inventories, trade receivable , Cash & cash equivalents, Loans, other financial assets. Current Liabilities include Borrowing, trade Payable , other financial liabilities and other current liabilities
2. Debt-Equity Ratio : Debt /Equity, Debt include Total Liabilities other than Shareholder fund
3. Debt Service Coverage Ratio: EBIT/Borrowing +Interest
4. Return on Equity: Net Profit/ Share holder fund
5. Inventory Turnover Ratio: Cost of Goods Sold/ Average Inventory
6. Trade Receivables turnover ratio: Net Credit Sale/ Average Trade Receivable
7. Trade payables turnover ratio: Credit purchase/ Average Trade Payable
8. Net capital turnover ratio: Turnover / shareholder fund
9. Net Profit Ratio : Net Profit / Turnover
10. Return on Capital employed : EBIT/ Shareholder Fund + Longterm Debts
11. Return on investment : Return / Cost of Investment

54. Disclosure

Type of Borrower	"Amount of loan or advance in the nature of loan outstanding"	Percentage to the total Loans and Advances in the nature of loans
Promoter	NIL	
Directors		
KMPs	4.09	-
Related Parties	NIL	

55. Balance confirmations & Reconciliation

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

56. Non-Going Concern

Consequent upon the decision taken in the meeting held on 29.08.2019, by the administrative ministry an further decision of the Board in its 639th meeting dated 05.04.2021, it has been resolved that STC to continue as a non-operating company for the time being and to prepare the accounts from the F.Y. 2021-22 onward on non-going concern basis. Due to uncertainty of continuation of operations, the company has not made provision of rent equalisation reserve, pre-paid and prior period expenses.

57. "STC had a lease on a plot of land at Mallet Bunder belonging to MBPT, which expired on 17.10.2016. STC initially sought an extension of the lease but later decided to surrender the plots due to a decision to non-viability and stopping trade activities. Subsequently, the said plot was surrendered and surrender certificate was executed on 12.11.2021. MBPT had filed two cases against STC before the H'ble estate officer, but they

Notes to accounts for the year ended March 31, 2023

were withdrawn after a meeting between the two parties, and outstanding issues/ disputes (if any) shall be resolved under the provisions of AMRCD mechanism. The assets handed over to MBPT installed at Mallet Bunder have been surveyed by MBPT, and the value of the land farms, machinery way leave, pipelines, and other assets will be adjusted against outstanding dues of STC. STC is regularly seeking updated on valuation from MBPT. As per the opinion of legal counsel and GST consultant, STC is liable to pay differential rent i.e. after adjustment of amount paid by STC against the compensation for the use of occupation beyond the lease period to the tune of ₹ 920 lac per mensem as per clause no. 24 of the lease agreement dated 30.07.1984 along with applicable GST. The reconciliation with MBPT is pending and disputed. Accordingly, appropriate treatment will be effected upon arrival of such valuation."

As per our report of even date attached

For Tiwari & Associates

Chartered Accountants

Firm Reg. No. 002870N

Sd/-
(K.K. Gupta)
Director Finance -MMTC
Additional Charge of STC,
DIN -08751137

Sd/-
(Hardeep Singh)
CMD
DIN-09778990

Sd/-
(CA. Sandeep Sandill)

Partner
M. No. 085747

Place: New Delhi

Dated: 23.05.2023

Sd/-
(VIPIN TRIPATHI)
Company Secretary
ACS -29378

Sd/-
(S.K Chawla)
Independent Director
DIN-09400987

Sd/-
(B.S.Rao)
CFO

MANAGEMENT REPLIES TO THE OBSERVATION OF STATUTORY AUDITORS ON THE STANDALONE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2022-23

S. No.	Observation of the Statutory Auditor	Management Replies
A.	Basis for Qualified Opinion	
1	<p>Non -Current Assets held for Sale</p> <p>i. We draw your attention to Note No. 2(ii) regarding management decision to continue the company as non-operating company for the time being and to prepare the accounts from the financial year 2021-22 onwards as per non-going concern basis. Thus, there has been change in the significant accounting policies of the Company and the presentation of financial statements.</p> <p><i>As per Note No. 3.1 (e) in the Notes to accounts it is further stated that the financial statements for the year 2022-23 have been prepared on realization basis (non- going concern assumption) and the non-current assets have been classified as held for sale. Therefore, all the assets held for sale have been carried at their estimated realizable values. However, all the non-current assets held for sale i.e. Property, Plant and Equipment in absence of any report for realizable value have been stated at their respective historical values/carrying values as per books of accounts as on 31.03.2023 and not on realization basis. This is non-compliance of the accounting policy No. 3.1 (e) of the Company and we are unable to comment upon the impact of the same on the financial statements.</i></p> <p><i>Further there is also non-compliance of requirements of IND AS-105.</i></p> <p><i>As per IND AS-105, "Non -Current Assets held for Sale and Discontinued Operations", it requires that asset that meet the criteria to be held for sale should be measured at lower of carrying amount and fair value less costs to sell and to be separately presented in the Balance Sheet and also result of discontinued operations to be presented separately in the Statement of Profit and Loss.</i></p> <p><i>However, no fair value estimation of the non-current assets held for sale have been carried out as on 31st March,2023 but is said to be under process. Thus, there is also non-compliance of IND AS 105 applicable to the Company.</i></p> <p>ii. Refer to Note No.4(a) of Standalone Financial Statements, non-availability of title deeds in the name of the company in respect of following properties namely:</p> <ol style="list-style-type: none"> a) Leasehold Building <ol style="list-style-type: none"> i. Leasehold land at Jawahar Vyapar Bhawan valued at ₹ 55,929 lacs ii. Leasehold land at Housing Colony at Aurobindo Marg valued at ₹ 12,394 lacs iii. Plot at Mallet Bunder, Mumbai Port Trust valued at ₹ 11.67 lacs b) Freehold Building <ol style="list-style-type: none"> i. 8 Residential Flats at Asian Games Village Complex, allotted by DDA amounting to ₹ 2720 lacs ii. 7 apartments in different locations of Mumbai amounting to ₹ 1918 lacs 	<p>The tendering process for valuation of STC's immovable properties as on 31.12.2022 was carried out but the same was not successful as none of the bidders technically qualified. Further, the tender for valuation of STC's immovable properties as on 31.03.2023 was again initiated on GeM portal and the same is under process.</p> <p>(i) & (ii) Jawahar Vyapar Bhawan & STC Housing Colony, Malviya Nagar: Since there are some dues payable to L&DO and DDA, efforts are being made to settle the same under the directions of MOC&I. Moreover, MOC&I is also taking up the matter directly with L&DO. Title deeds when received shall be made available.</p> <p>(a) (iii) Leasehold land includes a plot at Mallet Bunder, Mumbai Port Trust (where STC has a Tank Farm Installation) for which lease period has expired and the surrender certificate has been executed on 12.11.2021. The tanks installed at Mallet Bunder has been surveyed by the MbPT and assets handed over on as is where is basis with an understanding that the value of the same shall be adjusted and paid to STC. Hence, appropriate treatment will be effected upon arrival of such valuation.</p> <p>(i & ii) With regard to AGVC and Mumbai R.O. are leasehold properties and the title deeds are not available.</p>

S. No.	Observation of the Statutory Auditor	Management Replies
	<p>Further, lease period for plot at Mallet Bunder, Mumbai Port Trust has already expired and the land has been handed over to Mumbai Port Trust. Surrender certificate has been executed on 12.11.2021. But this still continues to be shown as non-current assets held for sale. Thus, non-current assets held for sale has been overstated by ₹ 11.67 lacs. It will also have consequential impact on the Statement of Profit and Profit account resulting into overstatement of profit by ₹ 11.67 lacs.</p> <p>Further the farm tanks installed at Mallet Bunder amounting to ₹ 14.84 lacs have also been handed over on as is where is basis. The company has not raised any debit note for the same and thus non-current assets are being overstated by ₹ 14.84 lacs.</p> <p>Further, company has not amortized the value of the leasehold properties according to the IND AS 116 for the period expired till 31.03.2023 resulting into overstatement of non-current assets held for sale and consequential impact on profit of the company, the amount whereof could not be quantified in absence of complete data from the Company.</p>	<p>STC had a lease on a plot of land at Mallet Bunder belonging to MBPT, which expired on 17.10.2016. STC initially sought an extension of the lease but later decided to surrender the plots due to a decision to non-viability and stopping trade activities. Subsequently, the said plot was surrendered and surrender certificate was executed on 12.11.2021. MBPT had filed two cases against STC before the H'ble estate officer, but they were withdrawn after a meeting between the two parties, and outstanding issues/ disputes (if any) shall be resolved under the provisions of AMRCD mechanism. The assets handed over to MBPT installed at Mallet Bunder have been surveyed by MBPT, and the value of the farms, machinery, way leave, pipelines, and other assets will be adjusted against outstanding dues of STC. STC is regularly seeking updates on valuation from MBPT.</p> <p>As per the opinion of legal counsel and GST consultant, STC is liable to pay differential rent i.e. after adjustment of amount paid by STC against the compensation for the use of occupation beyond the lease period to the tune of ₹ 920 lac per mensem as per clause no. 24 of the lease agreement dated 30.07.1984 along with applicable GST. The reconciliation with MBPT is pending and disputed. Accordingly, appropriate treatment will be effected upon arrival of such valuation.</p>
	<p>iii. Refer Note No. 4, for non-adjustment of value/area in Fixed Assets Register against areas acquired by Delhi Metro Rail Corporation (DMRC) for construction of Metro Station & by L&DO for widening of the Road during Asian Games, as well as the flats/area of land sold by the company to The Handicrafts and Handloom Exports Corporation of India Limited (HHEC) for its Housing colony. Management is in correspondence with DMRC and concerned departments.</p> <p>This has resulted into overstatement of non-current assets held for sale and consequential impact on profit of the company, the amount whereof could not be quantified in absence of complete data from the Company.</p>	<p>This observation has been repeated since previous years. 325.685 square meters taken by NDMC for widening of roads during Asian Games and 388.91 square meters 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 has taken up the matter with L&DO for reduction of both the area and the records will be updated in Fixed Assets register/Schedule in respect of its area & value once the final outcome in the matter is arrived at. The efforts are being made with L&DO in this regard on regular basis.</p> <p>As per STC's Board's decision dated 31.01.1975, 64 nos. of flats were sold to HHEC. The necessary accounting treatment was done in the year 1975-76 itself.</p>

S. No.	Observation of the Statutory Auditor	Management Replies
2	<p>Trade Receivables</p> <p>All trade receivables amounting to 1,69,673.80 lacs as per Note No. 9 have been outstanding for more than 3 years. The Company has made provision for bad and doubtful debts amounting to ₹ 62,727.62 lacs and another sum of ₹ 68,027.84 lacs have been shown as "Having Significant increase in credit risk" since the same is under litigation. As per Note No.9, it is explained that no provision has been made for the same since the relevant creditors will be paid only after recovery of these trade receivables, though in most of the cases agreements are not tripartite.</p> <p>Further there has been no recovery during the Financial Year 2022-23, and there is no major update of legal cases which are pending at various forums. Thus trade receivable do not seems to be stated at realizable value less cost to be incurred to recover these trade receivables. There is also no balance confirmation available for these trade receivables as on 31.03.2023 and hence we are unable to comment upon the genuineness and effect of the same on the financial statements, if any.</p> <p>We are of the view that all trade receivables amounting to 1,69,673.80 lacs are considered doubtful of recovery resulting into short provision for doubtful debts amounting to ₹ 1,06,946.18 lacs. Thus the provision for bad and doubtful debts has been understated by ₹ 1,06,946.18 lacs and consequential impact on the statement of profit and profit account resulting into overstatement of profit by ₹ 1,06,946.18 lacs.</p> <p><i>Further in case of M/s Rajat Pharmaceuticals Ltd (RPL), under note no.39, who drew bills of exchange on STC which were accepted upon receipt of overseas buyer's pre-acceptance to STC's bills of exchange. However, the foreign buyers defaulted in making payments against the export bills and have gone into liquidation. A sum of ₹527.86 crores has been admitted by the liquidator of one of the foreign buyer's i.e. Loben Trading Co. Pte. Ltd, Singapore. A Decree of Rs 62.47 crores approx. has been passed by Hon'ble Bombay High Court in favour of STC against the dues from another foreign buyer i.e Sweetland Trading Pte Ltd., Singapore. As of current date, RPL has gone into liquidation and official liquidator is appointed by Hon'ble High Court of Bombay. The matter is also under investigation by CBI. Banks & Financial institutions have filed legal suit against RPL before DRT making STC also a party to the case claiming ₹ 476.47 Crore. Also refer to Note No. 39, for matters other than RPL, as all these matters are sub-judice and/or under investigation of CBI and we are unable to comment upon the genuineness and effect of the same on the Financial Statements.</i></p>	<p>Out of the total trade receivable of ₹ 1,69,673.80 lacs includes ₹ 62,727.62 lacs "having significant increase in credit risk" being under dispute/litigation.</p> <p>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.</p> <p>Further, this is a trading arrangement continuing since last many years. Since STC has already lodged its claim in the court and the matter are sub-judice, required provision shall be made after decision of the court.</p> <p>Balances of trade receivables, trade payables and liabilities are being reconciled after completion of each transaction and the accounts are settled with the party. However, confirmation in respect of trade receivables and trade payables under litigation is not available at this stage, as it may be used against STC by the other party.</p> <p>This observation has been repeated since previous years. Trade receivables include ₹56,844 Lacs (approx.) 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. The foreign buyers i.e. M/s Loben Trading and M/s Sweetland, defaulted in making payment against the export bills. A claim of ₹52,786 Lacs has been admitted by the liquidator of one of the foreign buyer i.e. Loben Trading Co.Pte Ltd, Singapore . A Decree of Rs 6,247 Lacs has been passed by Hon'ble Mumbai High Court in favour of STC against the dues from 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.</p> <p>The matter is also under investigation by CBI. No provision is required against the same. Banks & Financial institutions have filed legal suit against RPL before DRT making STC also a party to the case claiming ₹ 47,647 Lacs. Mumbai</p>

S. No.	Observation of the Statutory Auditor	Management Replies
3	<p>Borrowings</p> <p>Refer to Note No. 20 , the view of the default by the company in paying due to interest amount to the banks, STC was declared NPA. The lender banks have initiated DRT proceedings against the company. The memorandum of the OTS (MOTS) proposal with lender banks is still in progress and is in line with the minutes of the high-level meeting held in 29.08.2019 and the further clarificatory letter dated 13.10.2020 of the Administrative Ministry. The liability towards banks is proposed to be settled by the way of transfer of title of identified property worth ₹300 crore on "as is where is basis" as a full and final settlement.</p> <p>The lead bank (Canara Bank) has given two options to the company:</p> <p>-</p> <ol style="list-style-type: none"> 1. Execution of equitable mortgage in favour of the lead bank at Delhi so that lenders can legally proceed for sale of properties mentioned in the Settlement Agreement with the authority to sell and realise the sale amount. 2. As joint suit is pending before the DRT-II, Delhi, the lenders shall proceed before DRT in execution of the consent decree for the accepted OTS amount of ₹ 300 cr. <p>The decision making is pending with STC to convey their acceptance of suitable option for moving the MOTS ahead subject to seeking opinion from senior Government advocate. Pending settlement of OTS, the company has not provided any interest further in its financial statements since 01.04.2021.</p> <p>Considering the fact that correspondence has been made by Canara Bank and STC in respect of the MOTS of Borrowings, the Borrowings have been crystallized at ₹ 30,000 lacs on as is where is basis. However, contrary to this, borrowings have been reflected at ₹ 80,623.24 lacs as against 30,000 lacs, thereby overstating the borrowings to the extent of ₹ 50,623.24 lacs. The management is of the opinion that the matter is still in discussion stage.</p> <p>This is also non-compliance of IND AS -109 as well as IND AS -10 (regarding events occurring after Balance Sheet date) by not taking into consideration the accounting effects of the events occurring after the balance sheet date regarding crystallization of bank loan amount at ₹ 30,000 lacs.</p>	<p>On 12.04.2023 STC received a letter dated 12.04.2023 from MOC&I saying that " It is advised that the matter may be discussed in the Board of STC first keeping in view the fact that the proposal for closure of STC under IBC 2016 route is under consideration of Dept of Public Enterprises. After Board Takes a view in the matter, STC can consult DoC, if required."</p> <p>In this connection STC forwarded the matter to our legal counsel Mr. Uday Gupta in OTS matter for his opinion, Accordingly STC received his opinion on this regards as under:-</p> <p>I have gone through the communication dated 29.11.2022 issued by the STC and the corresponding communication dated 12.04.2023 issued by the Under Secretary to the Government of India.</p> <p>My opinion dated 16.10.2020 along with the further opinion dated 09.05.2022 are already available with STC and no further discussion is required from my side on the issues already deliberated vide the said opinions. I am also conscious of the fact that both STC as well as the lender banks are bound by the course of action enunciated in the Minutes of Meeting dated 29.08.2019 held under the Chairmanship of Hon'ble Minister for Commerce and Industry and Railways which were later clarified on 13.10.2020. Upon the basis of the opinions rendered by the undersigned together with the opinion rendered by Ms. Aishwarya Bhati, Senior Advocate and Ld. Additional Solicitor General of India, it is very clear that "transfer of title" of the "identified properties" of STC cannot take place through the modes prescribed under law i.e. sale; mortgage; lease; exchange; gift; and actionable claim. Under the circumstances, either the option of execution of Power of Attorney in favour of the lender banks or the mechanism of Board Resolution in favour of lender banks is to be adopted by STC with concurrence of the lender banks and the Department of Commerce, Ministry of Commerce and Industry – with the sole objective to meet the terms of the One Time Settlement (OTS) agreed upon via Minutes of the Meeting dated 29.08.2019 read in conjunction with the subsequent clarification dated 13.10.2020.</p> <p>Para 7(i) of the Minutes of the Meeting dated 29.08.2019 upon subsequent clarification read as under :-</p>

S. No.	Observation of the Statutory Auditor	Management Replies
		<p><i>"7.(i) Since STC has already paid ₹1100 crore to the Banks, it will transfer the title of its immovable properties valued at about ₹300 crore on "as is where is basis" to the Banks and with this, the OTS of STC will be completed."</i></p> <p><i>Vide communication dated 12.04.2023, the Under Secretary to the Government of India has advised that the matter may be discussed in the Board of STC first; keeping in view the fact that the proposal for closure of STC under IBC, 2016 route is under consideration of the Department of Public Enterprises.</i></p> <p><i>In my opinion, till the objective of the One Time Settlement (OTS) in terms of the Minutes of Meeting dated 29.08.2019 clarified on 13.10.2020 is achieved, IBC route cannot be adopted. This is for the reason that adopting the IBC route would mean that the One Time Settlement (OTS) would be rendered otiose. Therefore, in my opinion the Board of STC should discuss the matter and stand by the decision already taken under the Chairmanship of Hon'ble Minister for Commerce and Industry and Railways which is reflected vide Minutes of Meeting dated 29.08.2019 and clarified subsequently on 13.10.2020 and which in my opinion are absolutely sacrosanct. In addition to this the Board should also resolve that STC is open to adopting any of the options suggested by its lawyers i.e. option of execution of Power of Attorney or the mechanism of Board Resolution so that the objective of the OTS is achieved smoothly; subject of course to the concurrence of the lender banks and the Department of Commerce, Ministry of Commerce and Industry. The Resolution upon being adopted should be sent to the Department of Commerce, Ministry of Commerce and Industry for their concurrence / ratification. Thereafter, further action in terms of the Resolution adopted should be taken by STC with the lender banks. The mode and modalities of the Resolution and its subsequent ratification should be an inter-se communication between STC and the Department of Commerce, Ministry of Commerce and Industry. The lender banks would come into picture only when the Department of Commerce and Industry would lend its concurrence / ratification to the Resolution adopted by the Board of STC.</i></p> <p><i>Proceeding filed by Consortium of lender banks is still going on in Debt Recovery Tribunal (DRT). Last date of hearing in DRT was on 19.04.2023 in which no hearing took place. Next date of hearing in DRT is 26.07.2023.</i></p>

S. No.	Observation of the Statutory Auditor	Management Replies												
		<p><i>In view of the opinion of legal counsel and In the Board Meeting dated 23.05.2023, It has been decided that the Ministry would like to take the matter through IBC for closure or OTS with the Lender Banks to be completed by STC.</i></p> <p><i>Accordingly a letter dated 06.07.2023, forwarded to MOC in this connection.</i></p>												
4	<p>Foreign Currency Receivables and Payables</p> <p>Currently, as per books of accounts, USD 3,149.35 lacs and Euros 20.90 lacs is receivable from its foreign buyers and USD 1665.41 lacs and Pound 0.04 lacs is payable to its foreign suppliers. In nutshell, there are foreign buyers and creditors standing in the financials of STC which have not been revalued in the FY 2022-23, the potential impact of which is huge.</p> <p>Thus, the Company has not complied with Ind AS 21 (regarding Effects of Changes in Foreign Exchange) by not revaluing the carrying amounts, in most cases, of foreign currency receivables and payables which are under litigation/disputed.</p> <p>Therefore, we are unable to ascertain the potential impact on the financial statements, if any.</p>	<p>This observation has been repeated since previous years. The company has complied the requirements of IND AS 21, regarding effects of changes in foreign currency as on balance sheet date. However, this pertains to cases under litigation and had been fully provided in earlier years and the carrying amounts are under dispute. The company has filed legal cases for such outstanding balances for both receivables and payables.</p>												
5	<p>Deferred tax Assets (Net)</p> <p>Refer Note No. 12 , the Company has MAT credit of ₹ 1367.36 lacs . Reversal of MAT credit was also raised by the CAG auditors for the FY 2020-21. But still the MAT credit has not been reversed and this has resulted into overstatement of profit by 1367.36 lacs and overstatement of Current assets by ₹ 1367.36 lacs. The company is hopeful of profits in future years so reversal of MAT credit is not done.</p>	<p>The credit of MAT can be utilized by the company in the subsequent year(s) as mentioned in the table below. :</p> <table border="1"> <thead> <tr> <th>A.Y. in which MAT credit was created</th> <th>Amount (₹ Lacs)</th> </tr> </thead> <tbody> <tr> <td>2014-15 (Credit available up to Financial Year 31.03.2025)</td> <td>401.08</td> </tr> <tr> <td>2016-17 (Credit available up to Financial Year 31.03.2027)</td> <td>758.82</td> </tr> <tr> <td>2017-18 (Credit available up to Financial Year 31.03.2028)</td> <td>187.91</td> </tr> <tr> <td>2022-23 (Credit available up to Financial Year 31.03.2038)</td> <td>19.55</td> </tr> <tr> <td>Total</td> <td>1,367.36</td> </tr> </tbody> </table> <p>The MAT credit of ₹ 13.67 crore can be adjusted against the tax liability as per normal provisions of the Income Tax Act, 1961 which may arise in coming years on account of increased rental income and pending OTS.</p>	A.Y. in which MAT credit was created	Amount (₹ Lacs)	2014-15 (Credit available up to Financial Year 31.03.2025)	401.08	2016-17 (Credit available up to Financial Year 31.03.2027)	758.82	2017-18 (Credit available up to Financial Year 31.03.2028)	187.91	2022-23 (Credit available up to Financial Year 31.03.2038)	19.55	Total	1,367.36
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S. No.	Observation of the Statutory Auditor	Management Replies
6	<p>Other Current Assets</p> <p>Refer Note No. 14 –“Other Current Assets for non-provisioning in respect of Duties and taxes recoverable , CST (coal) amounting to ₹ 6.89 lacs which is non recoverable and still not written off.</p> <p>Refer Note No. 11- Other Financial Assets -Claims Recoverable for non-provisioning in respect of Claims Recoverable o/s since last many financial years amounting to 1951.35 lacs where no present status could be ascertained by the management of the Company and still not written off.</p> <p>This is non-compliance of IND AS -36 as no provision has been made for impaired assets.</p> <p>All these current assets are being reflected at their carrying amounts instead of on realization values.</p> <p>This has resulted into overstatement of Current assets by ₹ 1951.35 lacs and overstatement of profit by ₹ 1951.35 lacs.</p>	<p>The matter pertains to AY 2014-15. The order for refund has been issued, and the same is being followed up by R.O.</p> <p>Out of the claims recoverable of ₹ 1951.35 lacs, major components are ₹ 810.63 lacs pertains to CCIC (co-owner) and ₹ 799.78 lacs pertains to HHEC (co-owner) for which regular follow up is being done by concerned division on a regular basis. Provision of ₹ 33.04 lacs & ₹ 476.47 lacs has been earlier provided for CCIC & HHEC respectively.</p> <p>When contacted, CCIC has informed that they are reconciling their accounts and STC will be informed accordingly. However, STC has vide letter dated 25.07.2023 again requested CCIC & HHEC to pay the outstanding dues failing which STC will take legal recourse.</p> <p>₹ 116.44 lacs pertains to SBI-IFB, Overseas, CAG & GF, said amount was attached by honorable court in the matter of STCL, of which ₹ 24.17 lacs have been provided for against SBI GF.</p> <p>₹ 94.56 lacs pertains to TRAI which is fully provided for.</p> <p>₹ 87.14 lacs pertains to BIFR and against this provision of ₹ 31.80 lacs has already been provided.</p>
7	<p>Provisions</p> <p>Refer Note No. 38, for non-provision of a demand of ₹ 4,743 lacs out of total demand received from Land and Development Office - New Delhi amounting to ₹ 13,283 lacs (for the period March,2004 to July, 2018) which has resulted in overstatement of profit by Rs 4,743 lacs and understatement of liabilities. However, it has been shown as contingent liability. Also, company has not provided for interest accruing on the said demand amount (to be calculated at the rate of 10%) approx. The matter is under correspondence with L&DO office and no provision is made for the year 2022-23 in the accounts.</p>	<p>Demand of ₹ 132.83 Crore was raised by L&DO vide its letter no. L&DDO/LS2A/9225/133 dated 26th March 2018 from 2004-05 onwards for non-compliance of various conditions of the Lease Deed (including non-deposits of 25% of the gross rent received by STC from its tenants). However, the company has disputed the demand and the matter is yet to be resolved. On the observation of CAG audit, the firm liability of ₹ 8,540 lacs has been booked. With a view to obtain updated demand as on date STC approached L&DO on 18.05.2022 wherein it was informed by L&DO that the assessment with regard to raising such demand, they have their own parameters. Further, vide letters dtd 27.12.2022 & 11.05.2023, STC requested L&DO to provide the updated liability towards JVB. In addition Deptt of Commerce vide its letter dtd 13.07.2022 has also taken up the issue with L&DO. The reply from L&DO in this regard is yet to be received. STC is continuously following up with L&DO for JVB and DDA for housing colony. Necessary provisioning shall be made in case any further demand arises.</p>

S. No.	Observation of the Statutory Auditor	Management Replies
8	<p>Trade Payables</p> <p>All the trade payables amounting to ₹ 1,11,708.55 lacs are without any balance confirmation and are outstanding for more than 3 financial years.</p> <p>No amount is payable to these parties as these are suppliers who have entered into legal agreement with STC wherein no amount is payable to them until and unless the amount is recovered from the foreign buyer. Thus, the management has not accorded any treatment to these trade payables and to that extent, liabilities are overstated.</p>	<p>This observation has been repeated since previous years. Balances of trade receivables, trade payables and liabilities are being reconciled after completion of each transaction and the accounts are settled with the party. However, confirmation in respect of trade receivables and trade payables under litigation is not available at this stage, as it may be used against STC by the other party.</p>
9	<p>Statutory Dues</p> <p>GST</p> <p>The GST input receivable and payable balances are not reconciled by the Company as on March 31, 2023. GST input Rs 78.81 lacs - seems non claimable but no provision has been made. Profit of the company is overstated by the same amount.</p> <p>Tax Deducted at Source</p> <p>TDS deducted will be reconciled with form 26AS at the time of submitting Income Tax return, as on the date of report the complete information is not available.</p> <p>No provision has been made for TDS default of Rs 8.89 lacs pending, submission of correction statements.</p>	<p>Reconciliation of GST Input and Output balances for F.Y. 2021-22 has been completed. Reconciliation pertaining to prior years is under process and will be carried out in the current year i.e. FY 2023-24.</p> <p>The TDS defaults are being taken up by the tax consultant for revising respective returns.</p>
10	<p>Other Observations</p> <p>Refer Note No. 24, customer at credit includes amount payable to U.P. Government amounting to Rs 603 lacs. As informed by the management, Branch has made various other claims on U.P. Government and accordingly dues of ₹ 3911 lacs is recoverable from U.P. Government for which debit note dated March 10, 2014 was raised. However, the said claim was not recognized in the standalone financial statements of the branch till date, as its ultimate collection was not certain. In absence of information on acceptability of the said claim by the UP Government, we are unable to ascertain its possible impact, if any, on the standalone financial statements of the Company.</p> <p>It seems that the financial statements have not been prepared on realization basis as mentioned in the accounting policies. All non-current assets held for Sale and other current assets have been stated at their carrying amounts as appearing in the books of accounts without making any exercise by the management to determine the realizable value of each current asset.</p>	<p>This observation has been repeated since previous years. An amount of ₹ 603 lacs payable to U.P. Government is adjustable against outstanding claims from UPGEWC on account of (i) differential of import price and amount realized on risk sale of 9555.285 MTs Lemon Tur and (ii) interest and carrying charges, amounting to ₹ 3,911 lacs which is under dispute and shown as contingent assets.</p> <p>Further, STC has been continuously following up the recovery matter with Government of Uttar Pradesh and has now filed its petition on 28.01.2022 for resolution of its dispute through AMRCD mechanism. The matter came up for hearing on 12.04.2023. The next date of hearing is awaited.</p>
	The impact of the following observations is not ascertainable	
	i) Refer to Cases and Disputes and matters under Litigation and amounts covered under Contingent Assets and Contingent Liabilities, since majority of the matters are subjudice, it is not possible to quantify the liabilities and the interest obligation if any on these cases.	The same shall be reviewed in the F.Y. 2023-24.
	ii) Refer to Claims recoverable from HHEC, co-owner to the property at Jawahar Vyapar Bhawan, who have not paid their share of expenses to STC since last many years amounting to ₹ 970.92 lacs as on March 31, 2023. The matter is said to be under correspondence with HHEC.	The issue is being followed up regularly with HHEC. The matter has also been taken up through Ministry of Textiles.

S. No.	Observation of the Statutory Auditor	Management Replies														
	Emphasis of Matters															
	<p>a) Refer Note No. 38(ii), Contingent Liabilities which includes an amount of ₹ 1.33 Crores in respect of pending sales tax liability. The Company has not complied in carrying out corrective actions as suggested by Government Audit Party (GAP) for F.Y. 2014-15 in the accounts as on 31st March, 2016 and for F.Y. 2015-16 in the accounts as on 31st March, 2017 amounting to ₹ 0.19 Crores and ₹ 1.11 Crores respectively.</p>	<p>This observation has been repeated since previous years. The GAP half-margin pertaining to Mumbai R.O. on the said matter was regarding not writing back of the credit balance of many parties including the five parties totaling to the amount of ₹ 1.30 crore. But since the sales tax cases against those five parties are still going on, the credit balance of ₹ 1.30 crore has to be kept in books against any future liability and hence has not been written back.</p> <p>Further, as informed by Mumbai R.O., there is no change in the status of the cases.</p> <table border="1"> <thead> <tr> <th>Name of Party</th> <th>Amount ₹ (crore)</th> </tr> </thead> <tbody> <tr> <td>Space Vision Impex</td> <td>0.19</td> </tr> <tr> <td>Pranav Agro Industries Ltd.</td> <td>0.25</td> </tr> <tr> <td>Ganesh Benzoplast Ltd.</td> <td>0.20</td> </tr> <tr> <td>Thakkarsons Auto Ancillary(i) Pvt. Ltd.</td> <td>0.09</td> </tr> <tr> <td>Dunlop India Pvt. Ltd.</td> <td>0.57</td> </tr> <tr> <td>Total</td> <td>1.30</td> </tr> </tbody> </table>	Name of Party	Amount ₹ (crore)	Space Vision Impex	0.19	Pranav Agro Industries Ltd.	0.25	Ganesh Benzoplast Ltd.	0.20	Thakkarsons Auto Ancillary(i) Pvt. Ltd.	0.09	Dunlop India Pvt. Ltd.	0.57	Total	1.30
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Dunlop India Pvt. Ltd.	0.57															
Total	1.30															
	<p>b) Refers to Note No.38, in respect of litigation matters, their present status and provisioning, if any, required and on-going investigations into the alleged irregularities; further, the Company's past operations have exposed it to the risk of extensive litigation and contractual claims from third parties with increased litigation costs not fully provided for. Due to the range of potential outcomes, voluntary retirement of employees dealing with these cases and the significant uncertainty around the resolution of various claims, the amount of ultimate liabilities, if any, to be recorded in the statements as provision is not ascertainable.</p>	<p>The cases under litigation /investigation etc. are being appropriately disclosed under contingent liability. Each case is being assessed at the end of the reporting period on the basis of its merit. The suitable treatment in books of accounts will be made based on the outcome of the ongoing litigation.</p> <p>In case of any material changes arising in the factual position, the same shall be reviewed appropriately.</p>														
	Annexure 'A' to Independent Auditor's Report															
1.	a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. However, the records are not updated for the financial year under audit. Fixed Assets report is under finalization.	The company has updated the Fixed Assets Schedule as on 31.03.2023.														
2.	b) The company has a Programme of conducting physical verification of items of fixed assets in a phased manner. The physical verification report of office (all branches have been received however Physical Verification report of Corporate New Delhi) is not provided by company.	The PV report of all R.Os including that of C.O. was made available to the auditor.														

S. No.	Observation of the Statutory Auditor					Management Replies	
3.	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 cases as below :					<p>(i) & (ii) Jawahar Vyapar Bhawan & STC Housing Colony, Malviya Nagar: Since there are some dues payable to L&DO and DDA, efforts are being made to settle the same under the directions of MOC&I. Moreover, MOC&I is also taking up the matter directly with L&DO. Title deeds when received shall be made available.</p> <p>(iii) & (iv) With regard to AGVC and Mumbai R.O. are leasehold properties and the title deeds are not available.</p> <p>(V) Leasehold land includes a plot at Mallet Bunder, Mumbai Port Trust (where STC has a Tank Farm Installation) for which lease period has expired and the surrender certificate has been executed on 12.11.2021. The tanks installed at Mallet Bunder has been surveyed by the MbPT and assets handed over on as is where is basis with an understanding that the value of the same shall be adjusted and paid to STC. Hence, appropriate treatment will be effected upon arrival of such valuation</p>	
	Location	Description	Held in the name of	Audit observations	Gross Block/ Revalued amount (₹ in Crore)		Net Block (in crore)
	(i) New Delhi	Lease hold Land at Tolstoy Marg, Jawahar Vyapar Bhawan, New Delhi. Area: 2.599 acres	President of India	Execution of lease deed is pending since 1975. Further, out of total area, physical position of land measuring 714.60 sq mtrs is not now with STC (i.e. 388.91 sq mtrs. acquired by DMRC for construction of Metro and 325.69 sq mtrs. by NDMC for widening of the Road during Asian Game) and value the same has not been uploaded in FAR / FAS. Measurement for area under physical position is yet to be done.	581.88		559.29
	(ii) New Delhi	STC / MMTC Housing Colony, Aurobindo Marg, New Delhi Area: 16.17 acres	President of India	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.	125.57	123.94	

S. No.	Observation of the Statutory Auditor						Management Replies
	Location	Description	Held in the name of	Audit observations	Gross Block/ Revalued amount (₹ in Crore)	Net Block (in crore)	
	(iii) New Delhi	Flats at AGVC, Khel Gaon Marg, New Delhi. Area: 8 flats measuring 14424 sq fts	President of India	Execution of lease / conveyance deed is still pending.	27.45	27.20	
	(iv) Mumbai	7 nos. of Flats (refer foot note of note no.4 Area: 7997 sq fts	President of India	Execution of lease / conveyance deed is still pending.	29.35	19.18	
	(v) Mumbai	Mallet Bunder Area: 11586.96 sq meters approx	President of India	Lease deed expired since 2016 and the company has surrendered the plot , certificate being executed on 12.11.2021	36.72	11.67	
All the aforesaid properties have been held in the name of the promoter i.e. President of India. No valid reason could be obtained by the management as to why title deed has not been executed in the name of STC.							
4.	d) According to the Information and explanations given to us and on the basis of the examination of the record of the Company, the Company has not revalued its Property, Plant and Equipment (now classified as "Assets held for disposal" or intangible assets or both) during the year.						The tendering process for valuation of STC's immovable properties as on 31.12.2022 was carried out but the same was not successful as none of the bidders technically qualified. Further, the tender for valuation of STC's immovable properties as on 31.03.2023 was again initiated on GeM portal and the same is under process.
	e) Original title deeds of 1 Ahmedabad, 18 Mumbai flats are not available with the company, however photocopies and true copies are available with the company.						Film photo of 1Ahmedabad flat and true certified copies stamped by registrar for 18 Mumbai flats are available with division.

S. No.	Observation of the Statutory Auditor	Management Replies																											
5.	<p>In our opinion and according to the information and explanations given to us, the company has defaulted in repayments of loans/borrowings to Bank (refer note no.20 & Basis of qualified opinion section of our audit report). However, the company has outstanding loans/ borrowing from financial institutions but not from Government or dues to debenture holders.</p> <p>Lender-wise details of sum defaulted by company & period of default is as follows-</p> <table border="1"> <thead> <tr> <th>Name of Banks</th> <th>Amount of Instalments and interest overdue ₹ in Crore</th> <th>Period of Default as on 31.03.2023 (in days)</th> </tr> </thead> <tbody> <tr> <td>Syndicate Bank</td> <td>280.71</td> <td>1825 Days</td> </tr> <tr> <td>Indian Overseas Bank</td> <td>188.02</td> <td>1825 Days</td> </tr> <tr> <td>Union Bank of India</td> <td>140.72</td> <td>1856 Days</td> </tr> <tr> <td>Indian Bank</td> <td>94.81</td> <td>1856 Days</td> </tr> <tr> <td>Exim Bank</td> <td>74.43</td> <td>2372 Days</td> </tr> <tr> <td>Bank of Baroda</td> <td>26.27</td> <td>1744 Days</td> </tr> <tr> <td>UBI (Kumily)</td> <td>1.28</td> <td>1856 Days</td> </tr> <tr> <td>TOTAL</td> <td>806.24</td> <td></td> </tr> </tbody> </table>	Name of Banks	Amount of Instalments and interest overdue ₹ in Crore	Period of Default as on 31.03.2023 (in days)	Syndicate Bank	280.71	1825 Days	Indian Overseas Bank	188.02	1825 Days	Union Bank of India	140.72	1856 Days	Indian Bank	94.81	1856 Days	Exim Bank	74.43	2372 Days	Bank of Baroda	26.27	1744 Days	UBI (Kumily)	1.28	1856 Days	TOTAL	806.24		<p>The OTS is going on, and the same has been replied in detail on the qualification on 'Borrowings' in the "Basis of qualified opinion" section of the audit report.</p>
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TOTAL	806.24																												
6.	<p>i. According to the information and explanations given to us and as represented by the management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, frauds by the ex-employees of the Company have been noticed which are in litigation since last few years.</p> <p>We are informed that there are 11 cases filed since last few years at various forums by CBI and other bodies involving fraud perpetrated by Staff of STC on others. No amount has been quantified by the Management as these cases are said to be subjudice.</p>	<p>The investigation/ legal cases are at various stages and provision shall be made depending upon their outcome.</p>																											
7.	<p>According to our view, Since the company has ceased its business operations and prepared the financial statements on a non-going concern basis, material uncertainty exists as on the date of audit report. There are a number of legal cases regarding trade receivables and the borrowings from bank amounting to ₹ 80,623 lacs which are NPAs since long indicating that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date.</p>	<p>The cases under litigation /investigation etc. are being appropriately disclosed under contingent liability. Each case is being assessed at the end of the reporting period on the basis of its merit. The suitable treatment in books of accounts will be made based on the outcome of the ongoing litigation.</p> <p>In case of any material changes arising in the factual position, the same shall be reviewed appropriately.</p>																											

S. No.	Observation of the Statutory Auditor	Management Replies
	Annexure 'B' to Independent Auditor's Report	
a.	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 used by company.	This observation has been repeated since previous years. The interlinking of different software currently maintained by the holding company can only be possible in case of ERP implementation. Due to precarious financial condition and also due to non-going concern status of the holding company, such implementation is a distant possibility. However, manual intervention with regard to accounting entries in Tally software is restricted by the internal checks available in the software itself.
b.	Lack of effective scrutiny of accounting ledgers as far as o/s liabilities/Claims recoverable/Security Deposits is seen as they are not updated .	This observation has been repeated since previous years. Periodic physical verification reports in respect of pledged inventory is 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.
c.	Manner of maintenance of Fixed Assets Schedule & register need to be strengthened.	The company is in the process of strengthening the same.
d.	Lack of proper contract management is noticed. Irrespective of completion of contracts the EMD/Security deposits are still being withheld in the books by the company.	There is proper Contract Management and after completion of each contract the EMD/ security deposits are settled as per the contractual terms. As regards the security deposits and EMD's in hand the contracts which could not be undertaken, the Company is in process of refund the same consequent upon decision taken for STC being a non- operative company from the F.Y.2021-22 and onwards.
e.	Lack of control over the renewal of Rent/lease Agreements on timely basis. There are numerous of contracts which have not been renewed over a long period.	All of the rent/lease agreements except IRCTC, SBI and ONGC (for Kakinada warehouse complex) have been renewed with the tenants. The renewal of agreement with IRCTC is being pursued on regular basis. The renewal of agreement with ONGC for earlier period in respect of Kakinada warehouse is under process. Renewal of agreement with SBI is due w.e.f. 01.01.2023. Finalization of rate of aren't is under process through designated negotiation committee.
f.	Ineffective implementation of accounting policy in balance confirmation of trade receivable & vendor balance, is noticed. The balances outstanding in the trade receivable account cannot be reconciled in customers' books as balance confirmations are not available for these customers.	This observation has been repeated since previous years. Balances of trade receivables, trade payables and liabilities are being reconciled after completion of each transaction and the accounts are settled with the party. Further, confirmation in respect of trade receivables and trade payables under litigation is not available at this stage, as it may be used against STC by the other party.

S. No.	Observation of the Statutory Auditor	Management Replies
g.	As there are no proper Full Time working Directors in the Company, and there is also lack of senior management personnel in the Company, all decisions and matters requiring immediate attention are kept on hold and there is ineffective management control in the Company.	<p>Two full time working Directors were available for majority part of the FY 2021-22 in both the Company i.e. STC and its Subsidiary STCL Limited. It is to mention that Director (P), STC who was holding additional charge of CMD, STC and Chairman, STCL Limited superannuated on 31.01.2022 and Director (Marketing), STC who was holding additional charge of MD, STCL Limited superannuated on 30.04.2022. Presently, there is one Functional Director in STC i.e. Director (Fin.) (additional charge). Further, two (2) Government Nominee Directors and eight (8) Independent Directors are also on the Board of STC. As such, present strength of the Board of STC is more than the minimum number of directors (i.e. 4) for holding of any Board meeting. However, the Board of STCL Limited is incomplete since the superannuation of Director (P) and Director (Mktg.), STC.</p> <p>Since the appointments of CMD/MD and other Functional Directors are made with the approval of Appointments Committee of the Cabinet (ACC), therefore the matter of filling-up of vacant Board level posts in STC and STCL Limited has regularly been taken up with the Administrative Ministry, through various communications sent by STC to the Ministry from time to time. The matter has also been raised in the meetings held with the officials of Ministry in the recent past.</p> <p>The post of CMD, STC has recently been filled-up on additional charge basis. Further, the Board of STCL Limited has also been completed with the appointment of Chairman and MD in STCL Limited and their accounts for the year 2021-22 and 2022-23 have recently been approved by STCL's Board.</p>
Annexure- 'C' to the INDEPENDENT AUDITORS' REPORT		
1.	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.	This observation has been repeated since previous years. The interlinking of different software currently maintained by the holding company can only be possible in case of ERP implementation. Due precarious financial condition and also due to non-going concern status of the holding company, such implementation is a distant possibility. However, manual intervention with regard to accounting entries in Tally software is restricted by the internal checks available in the software itself.

S. No.	Observation of the Statutory Auditor	Management Replies
2.	<p>The company is in the process of "One time settlement" (OTS) with the Lender Banks for the dues of banks for which Company is in continuing default.</p> <p>The lender banks have initiated DRT proceedings against the company. The memorandum of the OTS (MOTS) proposal with lender banks is still in progress and is in line with the minutes of the high-level meeting held in 29.08.2019 and the further clarificatory letter dated 13.10.2020 of Ministry. The liability towards banks is proposed to be settled by the way of transfer of title of identified property worth ₹300 crore on "as is where is basis" as a full and final settlement.</p> <p>However, as per the recent correspondence between Canara Bank and STC dated 22.04.2023,</p> <p>the lender bank has given two options to the latter:-</p> <ol style="list-style-type: none"> 1. Execution of equitable mortgage in favour of the lead bank at Delhi so that lenders can legally proceed for sale of properties mentioned in the Settlement Agreement with the authority to sell and realise the sale amount. 2. As joint suit is pending before the DRT-II, Delhi, the lenders shall proceed before DRT in execution of the consent decree for the accepted OTS amount of ₹ 300 cr. <p>The decision making is pending with STC to convey their acceptance of suitable option for moving the MOTS ahead.</p> <p>Pending settlement of OTS, the company has not provided any further interest in its financial statements for the current year 2022-23.</p>	<p>The OTS is going on, and the same has been replied in detail on the qualification on 'Borrowings' in the "Basis of qualified opinion" section of the audit report.</p>

कार्यालय प्रधान निदेशक लेखापरीक्षा,
उद्योग एवं कॉर्पोरेट कार्य
ए.जी.सी.आर. भवन, आई.पी. एस्टेट,
नई दिल्ली-110 002



OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT,
INDUSTRY AND CORPORATE AFFAIRS
A.G.C.R. BUILDING, I.P. ESTATE,
NEW DELHI-110 002

पत्रांक : ए.एँम.जी-1/15(7)/वार्षिक
लेखें/एसएफएस/एसटीसी/2022-23/2023-24/160

दिनांक 21 JUL 2023

सेवा में,

अध्यक्ष एवं प्रबंध निदेशक
दि स्टेट ट्रेडिंग कारपोरेशन ऑफ इंडिया लिमिटेड,
जवाहर व्यापार भवन, टॉलस्टॉय मार्ग
नईदिल्ली -110001

विषय:

कंपनी अधिनियम 2013 की धारा 143 (6) (b) के अधीन 31 मार्च 2023 को समाप्त वर्ष के लिए दि स्टेट ट्रेडिंग कारपोरेशन ऑफ इंडिया लिमिटेड के वार्षिक लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

कंपनी अधिनियम 2013 की धारा 143(6) (b) के अंतर्गत 31 मार्च 2023 को समाप्त वर्ष के लिए दि स्टेट ट्रेडिंग कारपोरेशन ऑफ इंडिया लिमिटेड के वार्षिक वित्तीय लेखों पर उपरोक्त विषय संबंधित संलग्न पत्र अग्रेषित है।

भवदीया,

एस.ए. पंडा

(एस. आह्लादिनी पंडा)
प्रधान निदेशक लेखापरीक्षा
(उद्योग एवं कारपोरेट कार्य)
नई दिल्ली

संलग्नक:- यथोपरि

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 2023

The preparation of financial statements of The State Trading Corporation of India Limited for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 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 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 23 May 2023.

I, on behalf of the Comptroller and Auditor General of India have decided not to conduct the supplementary audit of the financial statements of The State Trading Corporation of India Limited for the year ended 31 March 2023 under section 143(6)(a) of the Act.

**For and on the behalf of the
Comptroller & Auditor General of India**

A handwritten signature in blue ink, appearing to read 'S. Ahladini Panda'.

**(S. Ahladini Panda)
Principal Director of Audit
Industry & Corporate Affairs,
New Delhi**

**Place: New Delhi
Date: 21/07/2023**

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, 2023

(₹ Lacs)

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	1500
5	Reserve & surplus	-455969.91
6	Total Assets	887.61
7	Total Liabilities	456707.52
8	Investments	-
9	Turnover	-
10	Profit before taxation	-110.36
11	Provision for taxation	0
12	Profit after taxation	-110.36
13	Proposed Dividend	-
14	% of Shareholding	100

Notes:-

- Name of the subsidiaries which are yet to commence operations : Nil
- 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, 2023

Sl. No.	Name of Joint Venture	NSS Satpura Agro 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 **Tiwari & Associates**
Chartered Accountants
Firm Reg. No. 002870N

Sd/-
(K.K. Gupta)
Director Finance - MMTC
Additional Charge of STC,
DIN -08751137

Sd/-
(Hardeep Singh)
CMD
DIN -09778990

Sd/-
(CA. Sandeep Sandill)
Partner
M. No. 085747

Sd/-
(VIPIN TRIPATHI)
Company Secretary
ACS -29378

Sd/-
(S.K.Chawla)
Independent Director
DIN-09400987

Sd/-
(B.S.Rao)
CFO

Place: New Delhi

Dated: 23.05.2023

Consolidated Financial Results 2022-23





TIWARI & ASSOCIATES

Chartered Accountants

H.O. 2nd Floor, T-8, Green Park Extn., New Delhi -5
sandeep@icai.org

INDEPENDENT AUDITOR'S REPORT

To Members of The State Trading Corporation of India Limited,

Report on the Audit of the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of The State Trading Corporation of India Limited ("the Parent") and its subsidiary "STCL Limited", the parent and its subsidiary are together referred to as "the Group", which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Profit (including Other Comprehensive Income), the statement of changes in Equity and the Consolidated Cash Flow Statement for the year then ended, notes to the Consolidated financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "The Consolidated Financial Statements").

Qualified Opinion

In our opinion and because of the various issues as mentioned in the Basis for Qualified Opinion paragraphs, the aforesaid Consolidated Financial Statements except for the qualified opinion give the information required by the Companies Act 2013 ("the Act") in the manner so required and present a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian 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 31st March 2023 and its net profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

1. Non -Current Assets held for Sale

- i. We draw your attention to Note No. 2(ii) regarding management decision to continue the Group as non-operating Group for the time being and to prepare the accounts from the financial year 2021-22 onwards as per non-going concern basis. Thus, there has been change in the significant accounting policies of the Group and the presentation of financial statements.

As per Note No. 3.1 (e) in the Notes to accounts it is further stated that the financial statements for the year 2022-23 have been prepared on realization basis (non- going concern assumption) and the non-current assets have been classified as held for sale. Therefore, all the assets held for sale have been carried at their estimated realizable values. However, all the non-current assets held for sale i.e. Property, Plant and Equipment in absence of any report for realizable value have been stated at their respective historical values/carrying values as per books of accounts as on 31.03.2023 and not on realization basis. This is non-compliance of the accounting policy No. 3.1 (e) of the Group and we are unable to comment upon the impact of the same on the financial statements.

Further there is also non-compliance of requirements of IND AS-105.

As per IND AS-105, "Non -Current Assets held for Sale and Discontinued Operations", it requires that asset that meet the criteria to be held for sale should be measured at lower of carrying amount and fair value less costs to sell and to be separately presented in the Balance Sheet and also result of discontinued operations to be presented separately in the Statement of Profit and Profit.

However, no fair value estimation of the non-current assets held for sale have been carried out as on 31st March, 2023 but is said to be under process. Thus, there is also non-compliance of IND AS 105 applicable to the Group.

- ii. Refer to Note No.4(a) of Consolidated Financial Statements, non-availability of title deeds in the name of the Group in respect of following properties namely:

a) Leasehold Building

- i. Leasehold land at Jawahar Vyapar Bhawan valued at ₹ 55,929 lacs

- ii. Leasehold land at Housing Colony at Aurobindo Marg valued at ₹ 12,394 lacs
- iii. Plot at Mallet Bunder, Mumbai Port Trust valued at ₹ 11.67 lacs

b) Freehold Building

- i. 8 Residential Flats at Asian Games Village Complex, allotted by DDA amounting to ₹ 2720 lacs
- ii. 7 apartments in different locations of Mumbai amounting to ₹ 1918 lacs

Further, lease period for plot at Mallet Bunder, Mumbai Port Trust has already expired and the land has been handed over to Mumbai Port Trust. Surrender certificate has been executed on 12.11.2021. But this still continues to be shown as non-current assets held for sale. Thus, non-current assets held for sale has been overstated by ₹ 1167 lacs. It will also have consequential impact on the Statement of Profit and Profit account resulting into overstatement of profit by ₹ 11.67 lacs.

Further the farm tanks installed at Mallet Bunder amounting to ₹ 14.84 lacs have also been handed over on as is where is basis. The State Trading Corporation of India Limited has not raised any debit note for the same and thus non-current assets are being overstated by ₹ 14.84 lacs.

Further, STC has not amortised the value of the leasehold properties according to the IND AS 116 for the period expired till 31.03.2023 resulting into overstatement of non-current assets held for sale and consequential impact on profit of the STC, the amount whereof could not be quantified in absence of complete data from the Group.

- iii. Refer Note No. 4, for non-adjustment of value/area in Fixed Assets Register against areas acquired by Delhi Metro Rail Corporation (DMRC) for construction of Metro Station & by L&DO for widening of the Road during Asian Games, as well as the flats/area of land sold by the Group to The Handicrafts and Handloom Exports Corporation of India Limited (HHEC) for its Housing colony. Management is in correspondence with DMRC and concerned departments.

This has resulted into overstatement of non-current assets held for sale and consequential impact on profit of the STC, the amount whereof could not be quantified in absence of complete data from the STC.

2. Trade Receivables

Trade receivables includes a sum of ₹ 1,72,497.35 lacs which have been outstanding for more than 3 years. The Group has made provision for bad and doubtful debts amounting to ₹ 65,551.17 lacs and another sum of ₹ 68,027.84 lacs have been shown as "Having Significant increase in credit risk" since the same is under litigation. As per Note No.9, it is explained that no provision has been made for the same since the relevant creditors will be paid only after recovery of these trade receivables, though in most of the cases agreements are not tripartite.

Further there has been no recovery during the Financial Year 2022-23 and there is no major update of legal cases which are pending at various forums. Thus trade receivable do not seems to be stated at realisable value less cost to be incurred to recover these trade receivables. There is also no balance confirmation available for these trade receivables as on 31.03.2023 and hence we are unable to comment upon the genuineness and effect of the same on the financial statements, if any.

We are of the view that trade receivables amounting to 1,72,497.35 lacs are considered doubtful of recovery resulting into short provision for doubtful debts amounting to ₹ 1,06,946.18 lacs. Thus the provision for bad and doubtful debts has been understated by ₹ 1,06,946.18 lacs and consequential impact on the statement of profit and profit account resulting into overstatement of profit by ₹ 1,06,946.18 lacs.

Further in case of M/s Rajat Pharmaceuticals Ltd (RPL), under note no.39, who drew bills of exchange on STC which were accepted upon receipt of overseas buyer's pre-acceptance to STC's bills of exchange. However, the foreign buyers defaulted in making payments against the export bills and have gone into liquidation. A sum of ₹527.86 crores has been admitted by the liquidator of one of the foreign buyer's i.e. Loben Trading Co. Pte. Ltd, Singapore. A Decree of Rs 62.47 crores approx. has been passed by Hon'ble Bombay High Court in favour of STC against the dues from another foreign buyer i.e Sweetland Trading Pte Ltd., Singapore. As of current date, RPL has gone into liquidation and official liquidator is appointed by Hon'ble High Court of Bombay. The matter is also under investigation by CBI. Banks & Financial institutions have filed legal suit against RPL before DRT making STC also a party to the case claiming ₹ 476.47 Crore. Also refer to Note No. 39, for matters other than RPL, as all these matters are sub-judice and/or under investigation of CBI and we are unable to comment upon the genuineness and effect of the same on the Financial Statements.

3. Borrowings

- i. Refer to Note No. 20, the view of the default by the STC in paying due to interest amount to the banks, STC

was declared NPA. The lender banks have initiated DRT proceedings against the STC. The memorandum of the OTS (MOTS) proposal with lender banks is still in progress and is in line with the minutes of the high-level meeting held in 29.08.2019 and the further clarificatory letter dated 13.10.2020 of the Administrative Ministry. The liability towards banks is proposed to be settled by the way of transfer of title of identified property worth ₹300 crore on "as is where is basis" as a full and final settlement.

The lead bank (Canara Bank) has given two options to the company: -

1. Execution of equitable mortgage in favour of the lead bank at Delhi so that lenders can legally proceed for sale of properties mentioned in the Settlement Agreement with the authority to sell and realise the sale amount.
2. As joint suit is pending before the DRT-II, Delhi, the lenders shall proceed before DRT in execution of the consent decree for the accepted OTS amount of ₹ 300 cr.

The decision making is pending with STC to convey their acceptance of suitable option for moving the MOTS ahead subject to seeking opinion from senior Government advocate. Pending settlement of OTS, the Group has not provided any interest further in its financial statements during 2022-23.

- ii. Considering the fact that correspondence has been made by Canara Bank and STC in respect of the MOTS of Borrowings, the Borrowings have been crystallized at ₹ 30,000 lacs on as is where is basis. However, contrary to this, borrowings have been reflected at ₹ 80,623.24 lacs as against 30000 lacs, thereby overstating the borrowings to the extent of ₹ 50,623.24 lacs. The management is of the opinion that the matter is still in discussion stage.

This is also non-compliance of IND AS -109 as well as IND AS -10 (regarding events occurring after Balance Sheet date) by not taking into consideration the accounting effects of the events occurring after the balance sheet date regarding crystallization of bank loan amount at ₹ 30,000 lacs.

4. Foreign Currency Receivables and Payables

Currently, as per books of accounts, USD 3,149.35 lacs and Euros 20.90 lacs is receivable from its foreign buyers and USD 1665.41 lacs and Pound 0.04 lacs is payable to its foreign suppliers. In nutshell, there are foreign buyers and creditors standing in the financials of STC which have not been revalued in the FY 22-23, the potential impact of which is huge.

Thus, the STC has not complied with Ind AS 21 (regarding Effects of Changes in Foreign Exchange) by not revaluing the carrying amounts, in most cases, of foreign currency receivables and payables which are under litigation/ disputed.

Therefore, we are unable to ascertain the potential impact on the financial statements, if any.

5. Deferred tax Assets (Net)

Refer Note No. 12, the Company has MAT credit of ₹ 1367.36 lacs. Reversal of MAT credit was also raised by the CAG auditors for the FY 2020-21. But still the MAT credit has not been reversed and this has resulted into overstatement of profit by 1367.36 lacs and overstatement of Current assets by ₹ 1367.36 lacs. The company is hopeful of profits in future years so reversal of MAT credit is not done.

6. Other Current Assets

- i. Refer Note No. 14 – "Other Current Assets for non-provisioning in respect of Duties and taxes recoverable, CST (coal) amounting to ₹ 6.89 lacs which is non recoverable and still not written off.
- ii. Refer Note No. 11- Other Financial Assets -Claims Recoverable for non-provisioning in respect of Claims Recoverable o/s since last many financial years amounting to 1951.35 lacs where no present status could be ascertained by the management of the STC and still not written off.

This is non-compliance of IND AS -36 as no provision has been made for impaired assets.

All these current assets are being reflected at their carrying amounts instead of on realization values.

This has resulted into overstatement of Current assets by ₹ 1951.35 lacs and overstatement of profit by ₹ 1951.35 lacs.

7. Provisions

Refer Note No. 38, for non-provision of a demand of ₹ 4,743 lacs out of total demand received from Land and Development Office - New Delhi amounting to ₹ 13,283 lacs (for the period March,2004 to July, 2018) which has resulted in understatement of profit by Rs 4,743 lacs and understatement of liabilities. However, it has been shown

as contingent liability. Also, STC has not provided for interest accruing on the said demand amount (to be calculated at the rate of 10%) approx. The matter is under correspondence with L&DO office and no provision is made for the year 2022-23 in the accounts.

8. Trade Payables

Trade payables includes a sum of ₹ 1,11,819.72 and are without any balance confirmation and are outstanding for more than 3 financial years.

No amount is payable to these parties as these are suppliers who have entered into legal agreement with STC wherein no amount is payable to them until and unless the amount is recovered from the foreign buyer. Thus, the management has not accorded any treatment to these trade payables and to that extent, liabilities are overstated.

9. Statutory Dues

GST

The GST input receivable and payable balances are not reconciled by the Company as on March 31, 2023. GST input Rs 78.81 lacs - seems non claimable but no provision has been made. Profit of the company is overstated by the same amount.

Tax Deducted at Source

TDS deducted will be reconciled with form 26AS at the time of submitting Income Tax return, as on the date of report the complete information is not available.

No provision has been made for TDS default of Rs 8.89 lacs pending, submission of correction statements.

10. Unaudited Accounts of the Subsidiary

We did not audit the financial statements of subsidiary namely STCL Limited included in the financials of the Company where financial statements reflect total assets of 887.61 lacs as at March 31, 2023, total revenue of 19.47 lacs and net cash inflows amounting to -118.90 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by another auditor whose Signed Auditor's Reports have not been furnished to us by the Management. There are no full time Directors in the said Subsidiary and for this reason Audited Financial Statements cannot be adopted and signed.

Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiary and our report in terms of subsection (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is qualified.

Other Observations

Refer Note No. 24, customer at credit includes amount payable to U.P. Government amounting to Rs 603 lacs. As informed by the management, Branch has made various other claims on U.P Government and accordingly dues of ₹ 3911 lacs is recoverable from U.P. Government for which debit note dated March 10, 2014 was raised. However, the said claim was not recognized in the standalone financial statements of the branch till date, as its ultimate collection was not certain. In absence of information on acceptability of the said claim by the UP Government, we are unable to ascertain its possible impact, if any, on the standalone financial statements of the Company.

It seems that the financial statements have not been prepared on realization basis as mentioned in the accounting policies. All non-current assets held for Sale and other current assets have been stated at their carrying amounts as appearing in the books of accounts without making any exercise by the management to determine the realizable value of each current asset.

The impact of the following observations is not ascertainable:-

- i. Refer to Cases and Disputes and matters under Litigation and amounts covered under Contingent Assets and Contingent Liabilities, since majority of the matters are subjudice, it is not possible to quantify the liabilities and the interest obligation if any on these cases.
- ii. Refer to Claims recoverable from HHEC, co-owner to the property at Jawahar Vyapar Bhawan, who have not paid their share of expenses to STC since last many years amounting to ₹ 970.92 lacs as on March 31, 2023. The matter is said to be under correspondence with HHEC.

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 Standalone 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.

Emphasis of Matters:

- a. Refer Note No. 38(ii), Contingent Liabilities which includes an amount of ₹ 1.33 Crores in respect of pending sales tax liability. The Group has not complied in carrying out corrective actions as suggested by Government Audit Party (GAP) for F.Y. 2014-15 in the accounts as on 31st March, 2016 and for F.Y. 2015-16 in the accounts as on 31st March, 2017 amounting to ₹ 0.19 Crores and ₹ 1.11 Crores respectively.
- b. Refers to Note No.38, in respect of litigation matters, their present status and provisioning, if any, required and on-going investigations into the alleged irregularities; further, the STC's past operations have exposed it to the risk of extensive litigation and contractual claims from third parties with increased litigation costs not fully provided for. Due to the range of potential outcomes, voluntary retirement of employees dealing with these cases and the significant uncertainty around the resolution of various claims, the amount of ultimate liabilities, if any, to be recorded in the statements as provision is not ascertainable.

Our opinion is qualified in respect of these above matters.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated 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.

S. No.	Particulars	Description	Procedures applied for audit
1	Evaluation of uncertain tax positions and contingent liabilities	The STC has uncertain material tax positions and contingent liabilities including matters under dispute which involves significant judgment to determine the possible outcomes of these disputes.	In response to this key matter, our audit included, amongst other principal audit procedures: -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, 2023 from management. -We involved in the detailed discussions with the management for underlying assumptions in estimating the tax provisions 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 March 31, 2023 to evaluate whether any change was required to management's position on these uncertainties.

S. No.	Particulars	Description	Procedures applied for audit
2	IT systems and controls over Financial Reporting.	We identified IT systems and controls over financial reporting as a key audit matter for the Group because its financial accounting and reporting systems are fundamentally reliant on IT systems and IT controls to record it in books. Automated accounting procedures and IT environment controls, which include IT governance, IT general controls over program development and changes, access to program and data and IT operations, IT application controls and interfaces between IT applications are required to be designed and to operate effectively to ensure accurate financial reporting.	In response to this key matter, our audit included, amongst other principal audit procedures: <ul style="list-style-type: none"> Assessed the complexity of the IT environment by through discussion with the head of IT and internal audit and identified IT applications that are relevant to our audit. Assessed the design and evaluation of the operating effectiveness of IT general controls over program development and changes, access to program and data and IT operations by engaging IT specialists. Performed inquiry procedures at the Group in respect of the overall security architecture and any key threats addressed by the Group in the current year. Assessed the design and evaluation of the operating effectiveness of IT application controls in the key processes impacting financial reporting of the Group by engaging IT specialists. Assessed the operating effectiveness of controls relating to data transmission through the different IT systems to the financial reporting systems.

Information Other than the Financial Statements and Auditor's Report thereon

The Group's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Annual Report on CSR activities, Report on Corporate Governance, Secretarial Auditor's Report Information, but does not include the consolidated financial statements and our auditor's report thereon. The Management Discussion and Analysis, Annual Report on CSR activities, Report on Corporate Governance, Secretarial Auditor's Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available to us and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read such other information as and when made available to us and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Group's Board of Directors are 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 Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as

amended. 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.

Management has prepared these financial statements on non-going concern basis as per decision of the Board of Directors.

Board of Directors are also responsible for overseeing the Group's financial reporting process. However it is to point out that there are no Full Time Working Directors in the Group as on 31st March, 2023 and the Group is functioning only with the assistance of Independent Directors and Director (Finance) on Additional Charge.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 STC 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 non-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 STC'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 STC 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.

However the financial statements of the STC have been prepared on non-going concern basis as decided by the Board of Directors.

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 and importance 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.

Report on Other Legal and Regulatory Requirements:

1. As required by Section 143(3) of the Act, we report that:
 - i. We have sought and obtained all the information and explanations, except for the matters referred in "Basis for Qualified Opinion"- **Impact of which is partly non-ascertainable**, which to the best of our knowledge and belief were necessary for the purposes of our audit and if not, the details thereof and the effect of such information on the financial statements.
 - ii. In our opinion, proper books of account as required by law have been kept by the Group, except for the matters referred in "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 Agra branch which have been prepared in Delhi only.
 - iii. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Profit including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account. We have not visited any branch offices of STC as we were informed that all Branches are closed and no activities are carried out from these Branches. The audit was conducted remotely by us from Corporate Office of STC at New Delhi.
 - iv. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards, except for the para (b) of Basis for Qualified opinion, specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
 - v. 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 Group.
 - vi. Pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Act are not applicable to the Group, being a Government Group;
 - 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**". **Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting.**
 - viii. Pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Companies Act, 2013, are not applicable to the Group, being a Government Group; and
 - 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Group has not been able to disclose the impact of pending litigations on its financial position in its financial statements, refer note 38 & 39 to the financial statements.
 - b. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable profits.
 - c. During the year, the Group has made no transfer to Investor Education and Protection Fund due to heavy accumulated profits. Therefore, question of delay in transferring amounts, required to be transferred, by the Group does not arise.
 - d. As the Audited Financials of the Subsidiary Company namely STCL Limited have not been provided to us and there are no full time working directors in both the Companies, we cannot

Comment upon the adequacy and correctness of the following:-

- i) The respective Managements of the Parent Company and its subsidiary (unaudited as stated above) which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary, that, to the best of their knowledge and belief, other than as disclosed in notes to accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company or any such subsidiary to or in any other person or entity, including foreign entity ('Intermediaries') with the understanding,

whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company or any of such subsidiary ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- ii) The respective Managements of the Parent Company and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary, that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Parent Company or any of such subsidiary from any person or entity, including foreign entity ('Funding Parties') with the understanding, whether recorded in writing or otherwise, that the Parent Company or any of such subsidiary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our attention or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e) as provided under (a) and (b) above, contain any material misstatement.
- e. There has been no dividend declared during the year.
 - f. The Company has not used such accounting software for maintaining its books of accounts which can record audit trail facility and thus the question of tampering with the feature of audit trail cannot be commented upon.

For **TIWARI & ASSOCIATES**
CHARTERED ACCOUNTANTS
FRN No. 002870N

Sd/-
(SANDEEP SANDILL)
Partner
Membership No.085747
UDIN: 23085747BGZERE4598

Place: New Delhi
Date: 23.05.2023

“Annexure A” to INDEPENDENT AUDITOR’S REPORT

Referred to Clause (vii) of Paragraph 2 under the heading of “Report on other Legal and Regulatory Requirements” of Independent Auditor’s Report of even date to the members of the State Trading Corporation of India Limited on the Consolidated Financial Statements for the year ended 31st March 2023

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

We have audited the internal financial controls over financial reporting of The State Trading Corporation of India Limited (“the Group”) as of March 31, 2023 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Group’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group 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 Group’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 Group’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 Group’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Group’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 Group’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 Group;
- (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 Group are being made only in accordance with authorizations of management and directors of the Group; and
- (3) Provide reasonable assurance regarding prevention or timely detection of un-authorized acquisition, use, or disposition of the Group’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

- a) STC 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 used by Group.
- b) Lack of effective scrutiny of accounting ledgers as far as o/s liabilities/Claims recoverable/Security Deposits is seen as they are not updated.
- c) Manner of maintenance of Fixed Assets Schedule & register need to be strengthened.
- d) Lack of proper contract management is noticed. Irrespective of completion of contracts the EMD/Security deposits are still being withheld in the books by the Group.
- e) Lack of control over the renewal of Rent/lease Agreements on timely basis. There are numerous of agreements which have not been renewed over a long period.
- f) Ineffective implementation of accounting policy in balance confirmation of trade receivable & vendor balance, is noticed. The balances outstanding in the trade receivable account cannot be reconciled in customers' books as balance confirmations are not available for these customers.
- g) As there are no proper Full Time working Directors in the Group, and there is also lack of senior management personnel in the Group, all decisions and matters requiring immediate attention are kept on hold and there is ineffective management control in the Group.

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 Group's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, the Group has, except for effects of the material weaknesses described above on achievement objectives of the control criteria, in all material respects, an adequate internal financial controls system over financial reporting and such internal financials controls over financial reporting were operating effectively as at 31st March, 2023, based on the internal control over financial reporting criteria established by the Group 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, 2023 Consolidated financial statements of the Group, and these material weaknesses are not likely to affect our opinion on the Consolidated financial statements of a Group.

For **TIWARI & ASSOCIATES**
CHARTERED ACCOUNTANTS
FRN No. 002870N

Sd/-
(SANDEEP SANDILL)
Partner
Membership No.085747
UDIN: 23085747BGZERE4598

Place: New Delhi
Date: 23.05.2023

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

(₹ in Lacs)

	Note No.	As at 31 st March, 2023	As at 31 st March, 2022
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	4	-	-
(b) Capital work-in-progress	5	-	-
(c) Investment property	6	-	-
(d) Other intangible assets	7	-	-
(e) Financial Assets :			
(i) Investments	8	-	-
(ii) Trade receivables	9	-	-
(iii) Loans	10	-	-
(iv) Other Financial Assets	11	-	-
(f) Deferred tax assets (net)	12	-	-
(g) Other non-current assets	14	-	-
Sub total		-	-
Current Assets			
(a) Inventories	15	5.82	7.06
(b) Financial Assets :			
(i) Investments	8	1.04	1.04
(ii) Trade receivables	9	1,06,946.18	1,06,691.79
(iii) Cash & cash equivalents	16	1,605.20	3,707.01
(iv) Bank Balances other than (iii) above	17	17.96	17.96
(v) Loans	10	3,574.82	3,629.01
(vi) Other Financial Assets	11	30,153.77	24,625.23
(c) Tax Assets (Net)	13	2,689.24	2,339.40
(d) Other Current Assets	14	1,249.26	1,223.91
(e) Deferred tax assets (net)	12	1,367.36	1,347.81
(f) Non Current Assets held for Sale / Disposal		87,128.56	87,128.84
Sub total		2,34,739.21	2,30,719.06
Total Assets		2,34,739.21	2,30,719.06
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	18	6,000.00	6,000.00
(b) Other Equity	19	(4,76,226.54)	(4,81,467.85)
Sub total		(4,70,226.54)	(4,75,467.85)
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	-	-
(ii) Trade payables -MSME		-	-
(iii) Trade payables -Others	21	-	-
(iv) Other Financial Liabilities	22	-	-
(b) Provisions	23	-	-
(c) Other non-current liabilities	24	-	-
Sub total		-	-
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	1,98,686.94	1,98,686.94
(ii) Trade payables -MSME		-	-
(iii) Trade payables -Others	21	1,11,819.72	1,12,071.99
(iv) Other Financial Liabilities	22	3,78,301.62	3,78,033.93
(b) Provisions	23	15,140.31	16,356.27
(c) Other current liabilities	24	1,017.16	1,037.78
Sub total		7,04,965.75	7,06,186.91
Total Equity and Liabilities		2,34,739.21	2,30,719.06

Significant Accounting Policies and the accompanying notes 1 to 68 form an integral part of accounts.

As per our report of even date attachedFor **Tiwari & Associates**

Chartered Accountants

Firm Reg. No. 002870N

Sd/-

(CA. Sandeep Sandill)

Partner

M. No. 085747

Sd/-

(K.K. Gupta)

Director Finance - MMTC

Additional Charge of STC,

DIN -08751137

Sd/-

(VIPIN TRIPATHI)

Company Secretary

ACS -29378

Sd/-

(S.K.Chawla)

Independent Director

DIN-09400987

Sd/-

(Hardeep Singh)

CMD

DIN -09778990

Sd/-

(B.S.Rao)

CFO

Place: New Delhi

Dated: 23.05.2023

CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lacs)

	Note No.	As at 31 st March, 2023	As at 31 st March, 2022
Income			
i) Revenue from Operations	25	-	-
ii) Other Income	26	8,523.24	8,546.80
Total Income		8,523.24	8,546.80
Expenses			
i) Cost of materials consumed	27	-	-
ii) Purchases of Stock in trade	28	-	-
iii) Change in Inventory	29	-	-
iv) Employees' Benefit Expenses	30	3,575.32	4,164.22
v) Finance Cost	31	193.94	194.09
vi) Depreciation & Amortization Expenses	32	-	-
vii) Other Expenses	33	1,177.42	1,242.38
Total expenses		4,946.68	5,600.69
Profit before exceptional items and tax		3,576.56	2,946.11
Exceptional Items -Expense/(Income)	34	(24.18)	7,089.93
Profit Before Tax		3,600.74	(4,143.82)
Tax expense		35	
(i) Current tax		-	-
(ii) Tax related to earlier years		421.95	(2,759.66)
(iii) Deferred tax		-	7,300.72
Profit for the Year from continuing operations		3,178.79	(8,684.88)
Profit from discontinued operations after tax		-	-
I Profit for the Year		3,178.79	(8,684.88)
II Other Comprehensive Income			
i) Items that will not be reclassified to profit or loss			
- Re-measurements of the defined benefit plans		2,062.52	559.20
Less: Income Tax on Above			
ii) Items that will be reclassified to profit or loss		-	-
Other Comprehensive Income			
Total Comprehensive Income for the Year		5,241.31	(8,125.68)
Earnings per equity share :			
(1) Basic		8.74	(13.54)
(2) Diluted		8.74	(13.54)

Significant Accounting Policies and the accompanying notes 1 to 57 form an integral part of accounts.

As per our report of even date attached

For **Tiwari & Associates**
Chartered Accountants
Firm Reg. No. 002870N

Sd/-
(CA. Sandeep Sandill)
Partner
M. No. 085747

Place: New Delhi
Dated: 23.05.2023

Sd/-
(K.K. Gupta)
Director Finance - MMTC
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(Hardeep Singh)
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DIN -09778990

Sd/-
(B.S.Rao)
CFO

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in Lacs)

	As at 31 st March, 2023	As at 31 st March, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit /(Loss) Before Tax	3,600.74	(4,143.82)
Adjustment for:		
-Interest on loans		
-Depreciation	-	-
-Net write back of Debts/Advances/claims/Liabilities/Assets	(23.10)	6,518.61
-Income/Expenditure relating to let out property	(7,334.58)	(6,495.07)
- Interest Income on fixed deposits/Investments	(1,005.01)	(577.60)
-Loss on sale of asset	-	0.04
-Amortisation of grants	(1.08)	(0.10)
-Profit on sale of assets	-	(554.12)
Operating Profit Before Working Capital Changes	(4,763.03)	(4,697.94)
Adjustment for:		
- Trade and other receivables	(1,553.03)	8,027.59
- Inventories	1.24	(3.01)
- Trade and other payables	12.57	(2,848.56)
Changes In Working Capital	(6,302.25)	478.08
Income Tax Paid	-	4.11
Net Cash Generated/Used In Operating Activities (A)	(6,302.25)	473.97
B CASH FLOW FROM INVESTING ACTIVITIES:		
- Purchase of Fixed Assets	-	-
- Sale of Fixed Assets	4.12	10.47
- Proceeds Received from T-Bills/Deposits	(180.98)	(6,341.38)
- Interest received	1,005.01	577.60
- Let out properties (net)	7,334.58	6,495.07
Net Cash From Investing Activities (B)	8,162.73	741.76
C CASH FLOW FROM FINANCING ACTIVITIES :		
- Increase in loans	-	-
- Interest Paid	-	-
Net Cash From Financing Activities (C)	-	-
Net Increase/Decrease In Cash And Cash Equivalents (A+B+C)	1,860.48	1,215.73
Reconciliation of Cash & Cash Equivalents		
Closing Cash & Bank Balances as per Balance Sheet	22,229.03	20,368.55
Opening Cash & Bank Balances as per Balance Sheet	20,368.55	19,152.82
Cash & Bank Balances as per Cash Flow Statement	1,860.48	1,215.73
Cash & cash equivalents as per Balance Sheet	22,229.03	20,368.55
Less : Non readily convertible Bank Deposits	20,623.83	16,679.51
Cash & cash equivalents as per cash flow statement	1,605.20	3,707.00
Cash & cash equivalents includes unpaid dividend		

* Refer note no. 11, 16 & 17

Significant Accounting Policies and the accompanying notes 1 to 57 form an integral part of accounts.

As per our report of even date attached

For **Tiwari & Associates**
Chartered Accountants
Firm Reg. No. 002870N

Sd/-
(K.K. Gupta)
Director Finance - MMTC
Additional Charge of STC,
DIN -08751137

Sd/-
(Hardeep Singh)
CMD
DIN -09778990

Sd/-
(CA. Sandeep Sandill)
Partner
M. No. 085747

Sd/-
(VIPIN TRIPATHI)
Company Secretary
ACS -29378

Sd/-
(S.K.Chawla)
Independent Director
DIN-09400987

Sd/-
(B.S.Rao)
CFO

Place: New Delhi
Dated: 23.05.2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

(i) Equity Share Capital

(₹ in Lacs)

Particulars	No. of shares (in Lacs)	Face Value (₹)	Amount
Balance as at April 1, 2022	600	10	6,000
Change in share capital due to Prior Period error	-	-	-
Restated balance as at April 1, 2022	600	10	6,000
Changes in share capital during 2022-23	-	-	-
Balance as at March 31, 2023	600	10	6,000

Particulars	No. of shares (in Lacs)	Face Value (₹)	Amount
Balance as at April 1, 2021	600	10	6,000
Change in share capital due to Prior Period error	-	-	-
Restated balance as at April 1, 2021	600	10	6,000
Changes in share capital during 2021-22	-	-	-
Balance as at March 31, 2022	600	10	6,000

(ii) Other Equity

(₹ in Lacs)

Particulars	Reserves and Surplus						Total
	General Reserve	Capital Reserve	Retained Earnings	Exchange Fluctuation Reserve	Bonus Reserve	Revaluation Reserve	
Balance at April 1, 2022	6,553.10	250.00	(5,77,816.26)	1,084.80	0.33	88,460.18	(4,81,467.85)
Change in share capital due to Prior Period error	-	-	-	-	-	-	-
Restated balance as at April 1, 2022	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	5,241.31	-	-	-	5,241.31
Any Other Charges	-	-	-	-	-	-	-
Balance at March 31, 2023	6,553.10	250.00	(5,72,574.95)	1,084.80	0.33	88,460.18	(4,76,226.54)
Balance at April 1, 2021	6,553.10	250.00	(5,69,690.58)	1,084.80	0.33	88,460.18	(4,73,342.17)
Change in share capital due to Prior Period error	-	-	-	-	-	-	-
Restated balance as at April 1, 2021	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	(8,125.68)	-	-	-	(8,125.68)
Any Other Charges	-	-	-	-	-	-	-
Balance at March 31, 2022	6,553.10	250.00	(5,77,816.26)	1,084.80	0.33	88,460.18	(4,81,467.85)

As per our report of even date attached

For **Tiwari & Associates**
Chartered Accountants
Firm Reg. No. 002870N

Sd/-
(CA. Sandeep Sandill)
Partner
M. No. 085747

Place: New Delhi
Dated: 23.05.2023

Sd/-
(K.K. Gupta)
Director Finance - MMTC
Additional Charge of STC,
DIN -08751137

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DIN-09400987

Sd/-
(Hardeep Singh)
CMD
DIN -09778990

Sd/-
(B.S.Rao)
CFO

Accounting Policy for STC, effective from FY 2021-22 onwards

Assumption: Non-going concern

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 has been engaged in the Trading Business i.e., import and export in bulk commodities of rice, wheat, sugar, pulses, edible oils, fertilisers, coal, bullion, etc., 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 principle generally accepted in India.

ii) Basis of measurement:

Consequent upon the decisions taken in the meeting held on 29.08.2019, by the administrative ministry and further decision of the Board in its 639th meeting dated 05.04.2021, it has been resolved that STC to continue as a non-operating company for the time being and to prepare the accounts from the F.Y. 2021-22 onward on non-going concern basis. Appropriate changes to reflect this have been made in the Significant Accounting Policies and presentation of the financial statements.

iii) Critical Accounting Estimates/Judgements:

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 had been in Trading Business, and there was 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. Considering the administrative ministry and the Board's decision there will be no further business activities except the pending contracts and in so far as may be required to realise the assets and settle the liabilities. Therefore, from Financial Year 2021-22 onwards, a general Operating Cycle of 12 months has been adopted.

v) Functional Currency:

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

3. Significant Accounting Policies:

3.1. Property, Plant & Equipment (PPE):

- a) Till the FY 2020-21, the cost of an item of PPE was being recognized as an asset if it were probable that future economic benefits associated with the items will flow to the company and the cost of the item can be measured reliably.

The cost of an item of PPE is comprised of:

- 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. Initial estimate of the costs of dismantling and removing the item and restoring the site on which it was located, the obligation for which the company incurred either when the PPE was 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 was added to its book value only if it increased 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, were charged to the statement of profit and loss for the period during which such expenses were incurred.
 - c) Gains or losses arising from de-recognition of items of PPE were measured as the difference between the net disposal proceeds and the carrying amount of the asset and were recognized in the statement of profit and loss when the asset was derecognized.
 - d) The company has elected to continue with carrying value of PPE from the date of transition.
 - e) The financial statements for the year 2021-22 have been prepared on realization basis and the assets have been classified as "Held for Sale". It is probable that future economic benefits associated with the PPEs will not flow to the company in the normal course of business. Therefore, the PPEs have been carried based at their estimated realisable values. Any decrease in the carrying amount owing to such estimates have been charged to revaluation reserve to the extent the reserve created for the respective asset. The difference over and above the revalued amount is recognised in Statement of Profit or Loss under other comprehensive income.

3.2. Intangible Assets:

- a) Till FY 2020-21 all identifiable intangible assets were recognized when the company controlled the asset, it was 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 could be measured reliably.
- b) Intangible assets acquired separately were measured on initial recognition at cost. Cost comprised 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 were carried at cost less accumulated amortization and accumulated impairment losses, if any.
- c) All Intangible Assets (Computer Software's) were stated at carrying value from the date of transition.

The financial statements for the year 2021-22 have been prepared on realization basis and the assets have been classified as "Held for Sale". It is probable that future economic benefits associated with the Intangible Assets will not flow to the company in the normal course of business. Therefore, the Intangible Assets have been carried based at their estimated realisable values. Any change in the carrying amount owing to such estimates has been charged to revaluation reserve to the extent the reserve was created for the respective asset. The difference over and above the revalue amount is recognised in Statement of Profit or Loss under other comprehensive income.

3.3. Investment Property:

Investment Properties are properties held to earn rentals and / or for capital appreciation. Till FY 2020-21, Investment properties were being measured initially at cost including transaction cost. Subsequently, Investment property was being stated at cost less accumulated depreciation and impairment losses, if any. Depreciation was being provided as per policy of the company for the same. Any gain or loss on disposal was being recognized in Statement of Profit & Loss.

The financial statements for the year 2021-22 have been prepared on realization basis and the assets have been classified as "Held for Sale". It is probable that the company may not be able to earn rentals in the normal course of business. Therefore, the Investment Properties have been carried based at the estimated realisable values. Any decrease in the carrying amount owing to such estimates has been charged to revaluation reserve to the extent the reserve was created for the respective asset. The difference over and above the revalue amount is recognised in Statement of Profit or Loss under other comprehensive income.

3.4. Depreciation / Amortization:

Till FY 2020-21, Depreciation was 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 in mentioned below:

- i. Intangible items were depreciated / amortized over a period of 2.5 years.
- ii. Land on perpetual lease was not amortised.
- iii. In case, life was not prescribed under Schedule II of the Companies Act, the same was 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 were amortised over the lease period.

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

The financial statements for the year 2021-22 have been prepared on realization basis and PPEs and Intangible Assets have been classified as "Held for Sale". Hence no depreciation shall be charged on the same and impairment owing to such re-classification has been charged to revaluation reserve to the extent the reserve was created for the respective asset. The difference over and above the revalued amount is charged to profit or loss.

Land on perpetual lease have been revalued, based on the legal rights of the Company in case of termination, and any change in carrying amount has been charged to revaluation reserve to the extent the reserve was created for the respective asset. The difference over and above the revalued amount is charged to profit or loss.

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:

W.e.f. 01.04.2019, Ind AS 116 "Leases" was applicable for accounting of leases: -

1. As a Lessee: -

a. Right to use asset: -

- Initial Recognition and treatment– on the date of commencement of lease, the right of use (ROU) asset is measured at present value of lease payments discounted at the interest rate implicit in the incremental borrowing rate.
- Subsequent measurement and treatment- The ROU asset is depreciated as per the depreciation requirements in Ind AS 16 Property, Plant & Equipment. If the ownership is transferred by the company

at the end of the lease term or if there is a certainty that the purchase option is exercised by the company, the ROU asset is depreciated over the useful life of the asset. In any other case, the ROU asset is depreciated over the useful life of the asset or the lease term whichever is shorter. Depreciation on the ROU asset is reflected as a charge in the profit & loss account.

- The financial statements for the year 2021-22 have been prepared on realization basis. It is probable that the assets taken on lease by Company may be surrendered within 12 months from the balance sheet date. Therefore, estimated lives of the ROU asset have been re-estimated and depreciation re-calculated accordingly. Any change in the Accumulated Depreciation owing to such re-estimation has been recognised in profit or loss.

b. Lease Liability: -

- Initial Recognition and treatment– on the date the of commencement of lease, the company measures the lease liability at present value of lease payments discounted at the interest rate implicit in the lease or the incremental borrowing rate.
- Subsequent measurement and treatment- The carrying amount of the lease liability will increase by the amount of interest accrued on the lease liability. The carrying amount will be reduced on account of the payments made towards the lease liability. The interest expense on lease liability, being a component of finance cost will be presented separately as a charge in the profit & loss account.

2. As a Lessor: -

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.

1. Financial Lease: -

- Recognition of the asset- Assets held under financial lease are presented as a receivable at an amount equal to the net investment in the lease, increased / decreased by changes in the valuations done at regular intervals. Any increase / decrease in the valuations is recognised in the profit or loss account.
- Recognition of the income- Finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the company's net investment in the lease.

2. Operating Lease: -

- Recognition of the asset- Assets held under operating lease are capitalised in the books. The financial statements for FY 2021-22 have been prepared on a non-going concern basis. Therefore, such assets have been reinstated at the lower of net realisable value or the depreciated amount, whichever is lower.
- Recognition of the income- The lease payments from operating leases shall have to be recognised as income on either a straight-line basis or another systematic basis. The lessor shall apply another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.
- Recognition of expenses- the expenses associated with earning of lease income, like depreciation shall have to be recognised as expense.

3.7. Inventories:

Inventories are carried at lower of cost and net realizable value. Cost is determined as under:

- Inventories are valued at lower of net realisable value or the cost, whichever is lower.
- Goods-in-transit are valued at lower of net realisable value or CIF cost, whichever is lower.
- 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 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 acts 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 is recognised when the contracted services are rendered / goods are supplied to third parties / customers pursuant to the agreements.

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.

i. Dividend and Interest Income

Dividend income is recognised when the company's right to receive dividend is established.

Interest income from financial assets is recognised using the effective interest rate (EIR) method.

ii. Claims

Claims (including interest on outstanding) are recognised 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 realizable 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 transactions. 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 recognised 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 11, 2016 which are related to the acquisition or construction of qualifying assets are adjusted in the carrying cost off 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 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 costs 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 and construction qualifying asset that necessarily takes substantial time to get ready for its intended use or sale are capitalised 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 substantial time to get ready for its intended use or sale.

3.11 Employee Benefits:

i. Short term employee benefits expected to be paid are recognised at their undiscounted amount in the accounting period in which they are incurred keeping the basis of estimates for actuarial calculation on non-going concern basis.

ii. Post-retirement benefits:

a. Defined contribution plan: Employees' benefit, under defined contribution plan comprising of provident fund (administered through separate trust) and pension fund (administered through defined contribution to LIC) are recognised 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 recognised in other comprehensive income in the period in which they occur. Re-measurement recognised 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:

I. 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;

II. 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 recognised initially at fair value including any directly attributable transaction costs. Financial assets are derecognised when substantial risks and rewards of ownership of the financial assets have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognised only when the company has not retained control over the financial assets.

Subsequent measurement

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

i. 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.

- ii. Investments in liquid mutual funds, equity securities (other than subsidiaries, joint ventures, and associates) are valued at their fair value. These instruments are measured at fair value and changes therein, other than important losses, are recognised in statement of profit and loss and presented with in 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 derecognised, the related cumulative gain or loss recognised in equity is transferred to the statement of income.
- iii. 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. Loans and receivables are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised 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 collectability or otherwise 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.
- iv. Security deposits
Security deposits are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method, less any impairment losses.
- v. Trade and other payables:
Trade and other payables are initially recognised at fair value and subsequently carried at amortised 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.
- vi. Investment in subsidiaries, associates and joint ventures:
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 companies 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 neither control nor joint control over these policies. A joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arranged is classified as joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities required 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 the indicators of impairment at the end of each reporting period. Financial assets are 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 reorganization; 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 0 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 assets 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 except for trade receivables; such impairment losses 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 or credited against the allowance account. Changes in the carrying amount of the allowance account are recognised 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 recognised, the previously recognised 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 being recognised.

De-recognition of financial assets

The company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and subsequently 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 significantly all the risks and rewards of the ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

On the recognition of financial assets in its entirety, the difference between the assets carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised 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 the 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 loss enacted or substantially enacted at the reporting rate.

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

- a. As a legally 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 is realised, based on tax rates (and tax laws) that has 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 breakup of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after settling 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.

The DTA over and above the DTL recognized till 31.03.21 has not been carried forward and further, no DTA shall be recognized in view of the non-going concern basis of accounting.

3.14 Provisions, Contingent Liabilities and Contingent Assets:

General:

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probably 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 the 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 recognised but disclosed in Notes to 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 recognised 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 recognises a provision for the part of the obligation 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 recognised in the financial statements. Such contingent assets are assessed continuously and are disclosed in notes when the inflow of economic benefits become probable or if it is virtually certain that inflow of economic benefits will arise then such assets and the relative income will be recognised 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 dues 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:

The 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 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 asset and liability is used in companies business to any of the operating segments that are not identified are shown as unallocated assets/liabilities.

As per our report of even date attached

For **Tiwari & Associates**
Chartered Accountants
Firm Reg. No. 002870N

Sd/-
(K.K. Gupta)
Director Finance - MMTC
Additional Charge of STC,
DIN -08751137

Sd/-
(Hardeep Singh)
CMD
DIN -09778990

Sd/-
(CA. Sandeep Sandill)
Partner
M. No. 085747

Sd/-
(VIPIN TRIPATHI)
Company Secretary
ACS -29378

Sd/-
(S.K.Chawla)
Independent Director
DIN-09400987

Sd/-
(B.S.Rao)
CFO

Place: New Delhi

Dated: 23.05.2023

CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2023

4. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lacs)

Particulars	GROSS BLOCK			DEPRECIATION & AMORTIZATION			ACCUMULATED IMPAIRMENT			NET BLOCK			
	Gross carrying value as at April 01, 2022	Additions	Disposal/adjustments	Gross carrying value as at March 31, 2023	Accumulated depreciation as at April 01, 2022	Additions	Disposal/adjustments	Accumulated depreciation as at March 31, 2023	As on April 01, 2022	Additions	Disposal/adjustments	As at March 31, 2023	Carrying Value as at March 31, 2023
Tangible Assets - Freehold													
Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant & Machinery	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & Fixtures	-	-	-	-	-	-	-	-	-	-	-	-	-
Motor Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Computers, data processing units & communication equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Electrical Installations & Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets held for Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (A)													
Tangible Assets - Leasehold													
Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Roads, culverts & sewerage etc	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant & Machinery	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (B)													
Total (A+B)	630.55	0.93	5.01	626.47	33.23	10.71	1.75	42.20	0.92	0.71	0.19	584.02	
Previous year													

* - Based on Accounting Policy on a non-going concern basis w.e.f 01.04.2021 all the assets previously grouped under Property, Plant and Equipment, Capital Work-in-progress, Investment Property & Intangible Assets are now transferred to "Non-Current Assets held for disposal" and are shown on Carrying Values as on 31.03.2021 as valuation of STC's immovable properties is under process. However as per last Valuation report, fair value as on 31.03.2020 based on current title is: JVB - ₹ 75,675 lacs, STCHC - ₹ 49,834 lacs & Others - ₹ 29,652 lacs. In case of perpetual lease, Fair Market Value of JVB and Housing Colony is ₹ 2,61,183 lacs and ₹ 84,198 lacs respectively.

Notes of 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. JawaharVyaparBhawan at Janpath, New Delhi for which lease deed is not yet 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 erstwhile L&B Department/DDA vide Memorandum of Agreement dated 05.02.1968 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 not yet executed.
- Leasehold land includes a plot at Mallet Bunder, Mumbai Port Trust (where STC has a Tank Farm Installation) for which lease period has expired and the surrender certificate has been executed on 12.11.2021. The tanks installed at Mallet Bunder has been surveyed by the MbPT and assets handed over on as is where is basis with an understanding that the value of the same shall be adjusted and paid to STC. Hence, appropriate treatment will be effected upon arrival of such valuation.

ii. Freehold Building:-

- Freehold Building includes house building at Asian Games Village Complex (AGVC) allotted by DDA vide allotment letter dated 30.05.1984, which is earmarked for settlement under OTS on as is where is basis. The valuation of the properties is underway.
- 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), which is earmarked for settlement under OTS on as is where is basis. The valuation of the properties is underway.
- 325.685 square meters taken by NDMC for widening of roads during Asian Games and 388.91 square meters 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 JawaharVyapar Bhawan) Tolstoy Marg, Janpath, New Delhi. The Company has taken up the matter with L&DO for reduction of both the area and the records will be updated in Fixed Assets register/Schedule in respect of its area & value once the final outcome in the matter is arrived at. The efforts are being made with L&DO in this regard on regular basis.
- 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. Thus, CCIC and HHEC are co-owners limited to the property under their possession.

Consolidated Notes to accounts for the year ended March 31, 2023

5. Capital Work- In- Progress

(₹ in Lacs)

Particulars	Balance as at April 01, 2022	Additions/ (Adjustments) during the year	Capitalized during the year	Balance as at March 31, 2023
Office Building	-	-	-	-
Plant & Equipment	-	-	-	-
Office Equipment	-	-	-	-
Others	-	-	-	-
Intangible Assets under Development	-	-	-	-
Total	-	-	-	-
Previous Year	183.16	(183.16)	-	-

6. Investment Property

(₹ in Lacs)

Particulars	FREEHOLD		LEASEHOLD		Total
	Land	Building	Land	Building	
Gross carrying value as at April 1, 2022	-	-	-	-	-
Additions	-	-	-	-	-
Disposal/adjustments	-	-	-	-	-
Gross carrying value as at March 31, 2023	-	-	-	-	-
Accumulated depreciation as at April 1, 2022	-	-	-	-	-
Additions	-	-	-	-	-
Disposal/adjustments	-	-	-	-	-
Accumulated depreciation as at March 31, 2023	-	-	-	-	-
Impairment as at April 1, 2022	-	-	-	-	-
Additions	-	-	-	-	-
Disposal/adjustments	-	-	-	-	-
Impairment as at March 31, 2023	-	-	-	-	-
Carrying Value as at March 31, 2023	-	-	-	-	-
Previous Year (Net)	-	-	-	-	-

* - Based on Accounting Policy on a non-going concern basis w.e.f 01.04.2021 all the assets previously grouped under Property, Plant and Equipment, Capital Work-in-progress, Investment Property & Intangible Assets are now transferred to "Non-Current Assets held for disposal" and are shown on Carrying Values as on 31.03.2021 as valuation of STC's immovable properties is under process. However as per last Valuation report, fair value as on 31.03.2020 based on current title is : JVB - ₹ 75,675 lacs, STCHC - ₹ 49,834 lacs & Others - ₹ 29,652 lacs. In case of perpetual lease, Fair Market Value of JVB and Housing Colony is ₹ 2,61,183 lacs and ₹ 84,198 lacs respectively.

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

Particulars	for the year ended March 31, 2023	for the year ended March 31, 2022
Rental income derived from Investment Properties	8,307.49	7,420.11
Direct operating expenses from property that generated rental income	(972.92)	(927.45)
Profit from investment properties before depreciation	7,334.57	6,492.66
Depreciation	-	-
Profit from investment properties	7,334.57	6,492.66

Consolidated Notes to accounts for the year ended March 31, 2023

7. Intangible Assets

(₹ in Lacs)

Particulars	Computer Softwares	Others	Total
Gross carrying value as at April 1, 2022	-	-	-
Additions	-	-	-
Disposal/adjustments	-	-	-
Gross carrying value as at March 31, 2023	-	-	-
Accumulated amortisation as at April 1, 2022	-	-	-
Additions	-	-	-
Disposal/adjustments	-	-	-
Accumulated amortisation as at March 31, 2023	-	-	-
Carrying Value as at March 31, 2023	-	-	-
Previous Year (Net)	-	-	-

8. Investments

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
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)		
Less: Impairment in value of Investment		
Net	-	-
Investment in Equity instrument ~ Joint Ventures **		
NSS Satpura Agro Development Company Limited		
2,00,000 (Fully paid up Equity shares of ₹ 10 each)	20.00	20.00
Less: Impairment in value of Investment	20.00	20.00
Net	-	-
Others		
Sea Lac Agro Ventures Limited		
1,00,000 (Fully paid up Equity shares of ₹ 10 each)	10.00	10.00
Less: Impairment in value of Investment	10.00	10.00
Net	-	-
Maharashtra Small Scale Industries Development		
10,000 (Fully paid up Equity shares of ₹ 100/-each)	10.00	10.00
Less: Impairment in value of Investment	10.00	10.00
Net	-	-

Consolidated Notes to accounts for the year ended March 31, 2023

Particulars	As at March 31, 2023	As at March 31, 2022
100 (Fully paid up Equity shares of ₹ 1000/-each)	1.00	1.00
Less: Impairment in value of Investment	-	-
Net	1.00	1.00
Sindhu Resettlement#		
4 (Fully paid up Equity shares of ₹ 1000/-each)	0.13	0.13
Less: Impairment in value of Investment	0.09	0.09
Net	0.04	0.04
Total	1.04	1.04
Non -Current		
Total	-	-

* The union cabinet has approved in its meeting dated 13th August, 2013 for winding up of Subsidiary M/s. STCL Limited, a 100% owned subsidiary of STC. 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 ₹ 282 lacs (₹ 282 lacs) has been provided for (retaining a nominal value of ₹ 1/-) as the net worth of the subsidiary has been eroded completely.

** Investment of ₹ 10 lacs (₹ 10 lacs) in a Joint Venture company (NSS Satpura Agro Development Co. Ltd. Has also been fully provided for as the Net Worth of the Company has completely eroded.

#Nominal Value of ₹ 4000/-

9. Trade Receivables

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
A. Non Current		
i. Secured ~ Considered good *	-	-
ii. Unsecured Considered good	-	-
iii. Having Significant increase in credit risk **	-	-
iv. Credit Impaired	-	-
Sub-total	-	-
Less : Allowance for bad and doubtful receivables	-	-
Total (A)	-	-

B. Current		
Current		
i. Secured, Considered good *	-	-
ii. Unsecured Considered good	38,918.34	38,858.11
iii. Having Significant increase in credit risk **	68,027.84	67,833.68
iv. Credit Impaired	65,551.17	65,551.17
Sub-total	1,72,497.35	1,72,242.96
Less: Allowance for bad and doubtful debts	65,551.17	65,551.17
	1,06,946.18	1,06,691.79
Total (B)	1,06,946.18	1,06,691.79
Total (A+B)	1,06,946.18	1,06,691.79

Consolidated Notes to accounts for the year ended March 31, 2023

Trade Receivables ageing schedule

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	-	-	-	9,018.15	9,018.15
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	711.42	711.42
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	32,663.50	32,663.50
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	67,122.27	67,122.27
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	62,982.01	62,982.01

Notes of Holding Company:-

** Out of the total trade receivable of ₹ 1,72,497 Lacs includes ₹ 68,027 Lacs “having significant increase in credit risk” are also being under dispute/litigation (for details of major legal cases refer note no. 39).

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.

Notes of Subsidiary Company:-

₹ 2,07,78,442/- [excluding interest and trade margin] was due from one of the debtor against High Seas Sale and Pledge of stocks in their premises which was under CWC management. As the payment were not received, the Company invoked the Personal Corporate Guarantee executed by the debtor in favor of the company and filed cases under Section 138 of N.I.Act. The company has made full provision for ₹ 2,07,78,442/- in the earlier years.

Arbitral award dtd.30.09.2013 came in favor of the Company for recovery of claims debtor has challenged the Arbitral award in the court and the Company has filed its objection. The party has remitted a sum of ₹ 19,25,000/- during the financial year 2018-19, the same has been reversed in earlier provisions and leaving a balance of ₹ 1,88,53,442/-. MCAL had filed petitions before High Court of Karnataka praying for quashing the cheque bounce cases filed by STCL against MCAL and its Directors and STCL is in the process of filing objections to the petitions filed by MCAL.

₹17,10,36,656/- is due from another debtor R. Piyarelall Import & Export Ltd., Kolkata (RPIEL). The Company has filed a private complaint in the magistrate court against RPIEL and C&F Agent for unauthorized lifting of stock, which has been referred to the jurisdiction police station at Bangalore. Since B. Report was filed by the police. Company has challenged on the B report in the court requesting for re-investigation which was allowed by the court on 21.12.2019 and fresh Criminal case is registered against the accused and matter is in progress. The Company has initiated action u/s.138 of Negotiable Instrument Act for the return of the cheque unpaid and the case is in progress. In addition the Company has invoked the personal guarantee issued by the director of RPFPL and against the non payment the Company has filed a recovery suit in the Kolkata High Court The Arbitral award dtd.23.03.2016 came in favor of the Company

The Company has made full provision for ₹17,10,36,656/- in the earliest years. The company has also filed a petition under Section 7 of IBC Act, before NCLT, Kolkatta against the said debtor and further company has joined IBC proceedings with State Bank of India and others as Financial Creditors. Resolution Professional was appointed and Committee of Creditors decided by liquidation of Rythem Overseas Trade Ltd. erstwhile RPIEL. NCLT, Kolkata on 06.01.2021 ordered for liquidation of Corporate Debtor, Rythem Overseas Trade Ltd. u/s 33(2) of IBC, 2016 and appointment of Shri Abhijeet Jain as Liquidator. Thereafter STCL filed claim of ₹39.26 crore before Liquidator on 19.02.2021 and next date is awaited.

₹8,96,18,184/- is due from another debtor (for which provision was made in the earlier years) against High seas Sale and Pledged of stocks held in the premises of Container Corporation of India at Chennai. As the Payments were not received. The Company invoked the personal Corporate Guarantee executed by debtor under 138 of NI Act. STCL is in the process of exploring possibilities with custom authorities for liquidation of the available stock for recovery of the dues.

STCL had initiated Arbitration and Retired Justice had been appointed on 19.06.2016 as Arbitration proceedings was completed and the award was given in favor of STCL vide the order dated 20.06.2017 for an amount of ₹ 8,96,18,184/- however SGRML has challenged the award in the city civil court Bangalore which is in progress. Case filed by the

Consolidated Notes to accounts for the year ended March 31, 2023

company under Section 138 of NI Act has been dismissed and the company has challenged the order and moved an appeal before the High Court of Karnataka, the matter is pending.

STCL invited Expression of Interest for the Commercial operation of its Steam Utilisation Plant at Chindawara, Madhya Pradesh. M/s Atech Engineering and Management, Kollam (ATEM) was the successful Bidder and a tripartite agreement was signed between STCL Ltd, ATEM and Spices Board on 30/09/2013. Further ATEM Defaulted payment of monthly lease amount to STCL and Spices Board due to which spices board invoked Bank Guarantee of ₹ 25 Lakh provided by ATEM. ATEM Initiated arbitration against STCL and Spices Board and Sole arbitrator Justice A Hariprasad was appointed by High court of Kerala. After the completion of arbitral proceedings the claim of ATEM was rejected and counter claim of STCL was partly allowed directing ATEM to pay ₹ 21,97,570 along with 6% interest to STCL ATEM has filed an appeal against the above mentioned order before commercial court ernakulam, which is pending. ₹ 17,13,570/- appearing in the books of accounts includes only the lease amount, but doesn't include the other cost like business loss, damages.

10. Loans

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
A. Security Deposits		
I. Secured, considered good	-	-
II. Unsecured, considered good	-	-
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	-	-
Sub-total	-	-
Less: Allowance for bad and doubtful deposits	-	-
Less: Fair value Adjustment-SD	-	-
Total (A)	-	-
B. Loan to Others		
I. Secured, considered good		
II. Unsecured, considered good		
iii. Credit Impaired	-	-
Sub-total	-	-
Less: Allowance for bad and doubtful advances	-	-
(B)	-	-
C. Loan to Employees		
I. Secured, considered good *	-	-
II. Unsecured, considered good	-	-
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	-	-
V. Interest accrued	-	-
Sub-total	-	-
Less: Allowance for bad and doubtful loans	-	-
Less: Fair value adjustments (Loans to employees)	-	-
Total (C)	-	-
Total (A+B+C)	-	-

Consolidated Notes to accounts for the year ended March 31, 2023

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
A. Security Deposits		
I. Secured, considered good	-	-
II. Unsecured, considered good	3,254.43	3,262.21
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	7.13	7.13
Sub-total	3,261.56	3,269.34
Less: Allowance for bad and doubtful deposits	7.13	7.13
Less: Fair Value Adjustment-SD	-	-
Total (A)	3,254.43	3,262.21
B. Loan to Related Party		
I. Secured, considered good	-	-
II. Unsecured, considered good	0.20	0.20
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	-	-
Sub-total	0.20	0.20
Less: Allowance for bad and doubtful loans	-	-
Sub-total	0.20	0.20
C. Loan to Employees		
I. Secured, considered good *	74.25	99.98
II. Unsecured, considered good	5.05	6.20
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	-	-
Add: Interest accrued	240.89	260.42
Sub-total	320.19	366.60
Less: Allowance for bad and doubtful loans	-	-
Less: Fair value adjustments (Loans to employees)	-	-
Total (C)	320.19	366.60
Total (A+B+C)	3,574.82	3,629.01

Notes of Subsidiary Company:-

The Doubtful Loans and Advances includes the advance made to associate shippers for procurement of Iron Ore Fines and export thereof, for which full provision has been made in earlier years.

₹12,64,02,768/- [excluding interest] is due from one of the Business Associate, regarding a stock of around 29,400 MTS of Iron ore fines [subject to handling and storing loss an account of long storage period] approximately valuing ₹ 3,38,10,000/- as per the present market value. The stocks are in the custody of C&F agent at Vizag and there is claim of custodian charges amounting to ₹ 1,66,95,220/- Further business associate has moved in the High Court of Karnataka for appointment of Arbitrator which was not allowed by the court and also the injunction application filed by FRIPL u/s 9 of A& C Act was also dismissed by the court.

Consolidated Notes to accounts for the year ended March 31, 2023

₹6,85,78,122/-[excluding interest] was due from one of the business associate , the matter was referred to arbitration. In arbitral award of ₹8.00 Crore was passed in favour of STCL, Which was challenged by the party before city civil court,Bangalore. STCL had filed objections to appeal and after hearing the matter the appeal filed by the party against arbitral award was dismissed. bank guarantee of ₹8.00 Crore was encashed by the company. Further the party has gone for an appeal before Hon'ble High Court of Karnataka which is pending for disposal. We have adjusted money received to the existing debit balances and hence balances are nil as on date.

₹12,38,13,723 [excluding interest] is due from another business associate. The company is persuing the legal/recovery cases against the party.

11. Other Financial Assets

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
A. Term deposit with maturity more than 12 months :		
- Term Deposit with Banks	-	-
- Term Deposit with others*	-	-
(A)	-	-
B. Claims Recoverable		
I. Secured, considered good	-	-
II. Unsecured, considered good	-	-
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	-	-
Sub-total	-	-
Less: Allowance for bad and doubtful claims	-	-
(B)	-	-
C. Deposits	-	-
D. Other Misc. advance		
I. Secured, considered good	-	-
II. Unsecured, considered good	-	-
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	-	-
Sub-total	-	-
Less: Allowance for bad and doubtful advances	-	-
(D)	-	-
Total (A+B+C+D)	-	-
Current		
A. Interest accrued on:		
- Term deposits with maturity more than 12 months	-	-
- Term deposits with maturity more than 3 and upto 12 months	35.15	19.60

Consolidated Notes to accounts for the year ended March 31, 2023

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
- Term deposits with maturity less than 3 months	-	-
- Other Deposits (Flexi Deposits)	1,192.29	1,011.31
- Interest Accrued but not due on deposits/T Bills	166.10	94.40
B. Treasury Bills	20,623.83	16,661.55
Sub-total	22,017.37	17,786.86
C. Other	-	-
D. Claims Recoverable		
I. Secured, considered good	152.43	152.43
II. Unsecured, considered good	6,891.12	5,593.10
III. Having Significant increase in credit risk	4.53	4.53
IV. Credit Impaired	1,18,478.95	1,18,474.57
Sub-total	1,25,527.03	1,24,224.63
Less: Allowance for bad and doubtful advances	1,18,478.95	1,18,474.57
(D)	7,048.08	5,750.06
E. Security Deposits		
I. Secured, considered good	-	-
II. Unsecured, considered good	14.78	14.78
III. Having Significant increase in credit risk	1,073.54	1,073.54
IV. Credit Impaired	569.96	569.96
Sub-total	1,658.28	1,658.28
Less: Allowance for bad and doubtful advances	569.96	569.96
(E)	1,088.32	1,088.32
Total (A+B+C+D+E)	30,153.77	24,625.23
Total (Other Financial Assets)**	30,153.77	24,625.23

* Under Lien

** For details on major cases refer note no. 39

Notes of Subsidiary Company:-

Loans and Advances includes ₹11,55,25,17,085/- [net of security deposit/margin money] shown as Claims Receivable from Business Associates. The Company opened issuance 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 ₹11,55,25,17,085/- 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

Consolidated Notes to accounts for the year ended March 31, 2023

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.

Vide the impugned order, ED had levied a penalty of ₹ 10,00,00,000/-(Rupees Ten Crore) with direction to pay the penalty with in 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.

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.

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.

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. How ever 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.

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.

In this connection, the Company has obtained the court injunction on the properties of the business associate. The Company had engaged the services of Government and Banks Registered Valuer to assess the value of land located at Punjab during January, 2012. By oversight while converting 2382.91 Bighas into Acres from the valuation report dtd. 20.01.2012 it was wrongly mentioned as 578 acres as against 501.66 acres in the previous year accounts (4.75 Bighas equal to 1 Acre, 20 Biswa equal to 1 Bigha). Further the valuation of 2382.91 Bighas (501.66 Acres) was ₹ 548.45 crores as per the valuation report dtd. 20.01.2012 has come down to ₹ 400.28 crores as per the valuation report dtd. 02.12.2016 which has been shown in the below table.

Two employees when applied for VCC had been paid in excess amounting to ₹ 4,52,929 and for which the company has filed recovery suits which is pending for disposal.

(Amount in INR)

Particulars of Properties	Average Value	
Immovable properties of Business Associates :		
Land located at Punjab [501.66 acres] as per valuation report did. 02.12.2016.	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	5,15,85,21,000.0
Movable properties of Business Associates :		
Shares[45000] of Universal Pavers Pvt. Ltd., Tuticorin		16,98,00,000.0
TOTAL		5,32,83,21,000.0

Consolidated Notes to accounts for the year ended March 31, 2023

Enforcement Directorate vide its order bearing number F.No. ECIR/BGCO/25-26/2009 dated 31.03.2018 has confiscated the properties held by FMPL/ FEIPL and its group companies valuing for ₹39 crores.

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.

Two employees when applied for VSS had been paid in excess amounting to ₹ 4,52,929 and for which the company has filed recovery suits which is pending for disposal.

12. Deferred tax assets (Net)

Deferred tax assets and liabilities are attributable to the following:

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
A. Deferred Tax Liability		
Property, plant and equipment	-	-
Sub Total	-	-
B. Deferred tax Assets		
Provisions	-	-
Sub Total	-	-
C. MAT Credit Entitlement	1,367.36	1,347.81
Net Deferred Tax (Liabilities)/ Assets	1,367.36	1,347.81

Movement in deferred tax balances during the year ended 31.03.2023

(₹ in Lacs)

Particulars	Balance as at April 01, 2023	Recognised in profit & loss
Opening Balance	1,347.81	-
Additions during the year	19.55	-
Deletions during the year	-	-
Closing Balance	1,367.36	-

Recognized MAT credit available to Company in future years

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
2014-15 (Credit available up to Financial Year 31.03.2025)	401.08	401.08
2016-17 (Credit available up to Financial Year 31.03.2027)	758.82	758.82
2017-18 Credit available up to Financial Year 31.03.2028)	187.91	187.91
2022-23 Credit available up to Financial Year 31.03.2038)	19.55	-
Total	1,367.36	1,347.81

13. Tax Assets (Net)

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current Tax Assets		
Advance Tax including TDS	14,859.98	14,072.77

Consolidated Notes to accounts for the year ended March 31, 2023

Particulars	As at March 31, 2023	As at March 31, 2022
TDS		
Current Tax Liabilities		
Income Tax Payable/Provision	12,170.74	11,733.36
Total	2,689.24	2,339.40

14. Other Assets (Non-Financial)

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
A. Trade Advances		
I. Secured, considered good	-	-
II. Unsecured, considered good	-	-
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	-	-
Sub-total	-	-
Less: Allowance for bad and doubtful advances	-	-
(A)	-	-
B. Other Misc. Advances		
I. Secured, considered good	-	-
II. Unsecured, considered good	-	-
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	-	-
Sub-total	-	-
Less: Allowance for bad and doubtful advances	-	-
(B)	-	-
C. Security Deposits		
I. Secured, considered good	-	-
II. Unsecured, considered good	-	-
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	-	-
Sub-total	-	-
Less: Allowance for bad and doubtful deposits	-	-
(C)	-	-
D. Deferred Employee cost due to Fair Valuation	-	-
E. Deferred Fair Valuation Loss- Deposit Receivable	-	-
F. Claims Recoverable		
I. Secured, considered good	-	-
II. Unsecured, considered good	-	-
III. Having Significant increase in credit risk	-	-
IV. Credit Impaired	-	-

Consolidated Notes to accounts for the year ended March 31, 2023

Particulars	As at March 31, 2023	As at March 31, 2022
Sub-total	-	-
Less: Allowance for bad and doubtful claims	-	-
(F)	-	-
Total (A to F)	-	-
Current		
A. Capital Advances		
i. Secured, Considered good	-	-
ii. Unsecured Considered good	25.53	25.53
iii. Having Significant increase in Credit Risk	-	-
iv. Credit Impaired	-	-
Sub-total	25.53	25.53
Less: Allowance for bad and doubtful advances	-	-
(A)	25.53	25.53
B. Trade Advances		
I. Secured, considered good	-	-
II. Unsecured, considered good	1.15	1.15
III. Having Significant increase in credit risk	0.83	0.68
IV. Credit Impaired	9,121.19	9,121.19
Sub-total	9,123.17	9,123.02
Less: Allowance for bad and doubtful advances	9,121.19	9,121.19
(B)	1.98	1.83
C. Other Misc. Advances		
I. Secured, considered good	137.59	137.59
II. Unsecured, considered good	434.65	436.06
III. Having Significant increase in credit risk	135.33	135.33
IV. Credit Impaired	138.14	138.14
Sub-total	845.71	847.12
Less: Allowance for bad and doubtful advances	138.14	138.14
(C)	707.57	708.98
D. Other		
Prepaid Expenses	-	-
TA Advances	0.02	0.02
Advance for expenses	45.94	51.09
GST Input	409.56	380.09
VAT Receivable - Input/Service Tax Credit	28.79	28.79
Other	26.53	24.17

Consolidated Notes to accounts for the year ended March 31, 2023

Particulars	As at March 31, 2023	As at March 31, 2022
Deposits	3.34	3.39
(D)	514.18	487.55
E. Deferred Employee cost due to Fair Valuation	-	-
F. Deferred Fair Valuation Loss- Deposit Receivable	-	-
G. Claims Recoverable		
I. Secured, considered good	-	-
II. Unsecured, considered good	-	-
iii. Having Significant increase in Credit Risk	-	-
iv. Credit Impaired	417.54	417.54
Sub-total	417.54	417.54
Less: Allowance for bad and doubtful claims	417.54	417.54
(G)	-	-
Total (A to G)	1,249.26	1,223.91

For details refer note no. 39

Notes of Subsidiary Company:-

₹ 1,14,970/- is due from a fertilizer company and pertains to the fertilizer distribution business carried out by STCL during FY 2011-12. A view will be taken after obtaining approval from Competent Authority whether this amount is recoverable or not and whether to retain or write off this amount.

Service Tax credit receivable of ₹ 13,96,838/- and VAT Credit receivable of ₹ 7,91,704/- pertains to pre GST regime and since the transitional credit facility as per Section 148 of CGST Act, 2017 cannot be availed, the Company intends to take an expert opinion in this regard and after obtaining appropriate approvals from Competent Authority, decision will be taken whether to retain or write off in the Books of Accounts.

₹14,79,439/- pertains to Security Deposits paid by STCL while undertaking Civil Supplies /tender businesses prior to 2007-08. This amount was retained in the previous years and also during the current year since the litigation is going on against defaulted business associate.

Above deposits of ₹2,00,000 pertains to deposit with The State Trading Corporation of India Limited for lease rentals, Amount for Ten months rent with monthly rent of ₹20,000 has been kept.

As per Gratuity valuation report Current service cost of ₹ 1,00,536 and Actuarial gain of ₹ 1,07,500 is booked. Hence net effect of 6964 is given to provision for gratuity (increase in asset) head in the above note.

15. Inventories

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
A. Stock in trade including with handling agents/local agent	-	-
B. Stores and spares	4.62	5.46
C. Packing Materials	-	-
D. Stationery	1.20	1.60
Total	5.82	7.06

Consolidated Notes to accounts for the year ended March 31, 2023

16. Cash & Cash Equivalents

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash in hand	0.07	0.25
Cheques, Drafts on hand		
Stamps & Stamp Papers* (including cash in hand)	0.09	0.09
Balances with Banks		
- Cash Credit account - Debit Balance	-	-
- Current Accounts	27.21	397.72
- Current Account in Foreign currency - EEFC	1.03	1.03
Sub-total	28.40	399.09
Other Bank Balances		
- Term Deposits with maturity upto 3 months	1,576.80	3,307.91
Sub-total	1,576.80	3,307.91
Total	1,605.20	3,707.01

*Nominal Value of ₹ 16,737/-

Notes of Subsidiary Company:-

Bank guarantee of ₹ 8.00 Crore encashed by the company against arbitral award passed in favour of STCL is deposited as short term fixed deposit with maturity of 15days

17. Bank Balances

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
a. Balances with Banks		
- Unpaid Dividend Balance Account	-	-
- As Margin money/under lien	17.96	17.96
- In term deposits with maturity more than 3 and upto 12 months	-	-
Total	17.96	17.96

Notes of Subsidiary Company:-

₹ 17,95,742/- pertains to Margin money with the banks for undertaking third country merchanting trade . Since no settlement is arrived with the banks and OTS proposal is not yet finalized , this amount is shown under Current Asset as balances with banks.

18. Equity Share Capital

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorized		
Equity shares		
20,00,00,000 equity shares of ₹ 10/- each	2,000.00	2,000.00
Issued, subscribed and fully paid		
Equity shares		

Consolidated Notes to accounts for the year ended March 31, 2023

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
6,00,00,000 equity shares of ₹ 10/- each	6,000.00	6,000.00
	6,000.00	6,000.00
Reconciliation of share Capital:		
Opening Equity Shares	6,000.00	6,000.00
Add: -No. of Shares, Share Capital issued/ subscribed during the year	-	-
Closing balance	6,000.00	6,000.00

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	-	-

Shares held by promoters at the end of the year				% Change during the
S. No.	Promoter name	No. of Shares**	% of total shares**	year 2022-23
1	President of India	5,40,00,000	90%	-
Total		5,40,00,000		-

19. Other Equity

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
General Reserve		
Balance as per last financial statements	6,553.10	6,553.10
Less: Opening balance transferred to CO	-	-
Add: Transfer to General Reserve on account of revaluation of Fixed Asset.	-	-
Add: Amount Transferred from surplus Balance in the statement of Profit & Loss	-	-
Closing Balance	6,553.10	6,553.10
Capital Reserve		
Balance as per last financial statements	250.00	250.00
Add: Dividends		
Closing Balance	250.00	250.00
Retained Earnings		
Balance as per last financial statements	(5,73,797.82)	(5,74,578.70)
Add /Less : Opening balance transferred to CO	(4,018.45)	4,888.12
Add: Profit for the year	3,178.79	(8,684.88)
Transfer from bonus reserve	-	-
Transfer to bonus reserve	-	-
Other comprehensive income arising from re-measurement of defined benefit obligation, net of income tax	2,062.52	559.20

Consolidated Notes to accounts for the year ended March 31, 2023

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Closing Balance	(5,72,574.96)	(5,77,816.26)
Revaluation Reserves		
Balance as per last financial statements	88,460.18	88,460.18
Add: Transfer to General Reserve on account of revaluation of Fixed Asset.	-	-
Add: other adjustments	-	-
Closing Balance	88,460.18	88,460.18
Other Reserves		
Balance as per last financial statements	1,084.80	1,084.80
Add: Any other change		
Closing Balance	1,084.80	1,084.80
Bonus Reserve		
Balance as per last financial statements	0.33	0.33
Transfer to bonus reserve (set on)	-	-
Transfer from bonus reserve (set off)	-	-
Closing Balance	0.33	0.33
Total	(4,76,226.54)	(4,81,467.85)

20. Borrowings

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Working Capital Loans:		
a. From banks	-	-
- Cash Credit	-	-
- Packing Credit Pre Shipment	-	-
TOTAL	-	-
Current		
I. Term Loans:		
a. From banks	-	-
II. Working Capital Loans:		
a. From banks		
- Cash Credit	1,94,002.32	1,94,002.32
- Working Capital Demand Loan	-	-
- Working Capital Term Loan	-	-
- Packing Credit Pre Shipment	4,684.62	4,684.62
- Packing Credit Post Shipment		
- Buyer's Credit		

Consolidated Notes to accounts for the year ended March 31, 2023

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
b. From Others		
III. Loans repayable on Demand:		
a. From banks		
b. From Others		
IV. Deferred Payment Liabilities		
V. Deposits		
VI. Loans & Advances from related parties		
VII. Short Term Maturities of Finance Lease Obligations		
VIII. Other loans & advances (specify)		
Total	1,98,686.94	1,98,686.94

Notes of Holding Company:-

- (i) Bank borrowings are secured against current assets of the Company on pari- passu basis.
- (ii) In view of the default by the company in paying due interest amount to the banks, STC was declared NPA. The lender banks have initiated DRT proceedings against the company and Syndicate bank had also initiated NCLT proceedings. The company is in the process of finalizing the OTS proposal with the lender banks and the amount crystallized with the Joint Lender Forum (JLF) is ₹ 1,90,624 lacs as on 31.12.2018. A part payment of ₹ 110000 lacs has already been made to Syndicate Bank, The leader of JLF on 29.03.2019 (₹ 90,000 lacs) and on 27.05.2019 (₹ 2,00,000 lacs).

The leader of JLF has withdrawn the NCLT proceeding against STC on 11.12.2019. However, proceedings in DRT are still going on. The process of OTS with the lender banks is in progress and the same is being vigorously followed up at appropriate levels.

All the charges as not satisfying are related to OTS with bank. As the OTS yet to signed with banks. The same cannot be modified / satisfied until OTS is signed with Banks. Details of charges not satisfied with MCA is hereunder :

S.No.	SRN	Charge Id	Charge Holder Name	Date of Creation	Amount ₹
1	C59225391	10254506,	Bank of Baraoda,	03/12/2010	1000000000
2	B79593042	10199318,	INDIAN BANK	07/01/2010	2000000000
3	G30982516	10092378,	EXPORT-IMPORT BANK OF INDIA	27/06/2007	1562700000
4	C62289897	10042121,	SYNDICATE BANK	26/02/2007	11000000000
5	B09241910	10016914,	Union Bank of India	26/07/2006	3000000000
6	A81935678	90064488,	Allahabad Bank	27/10/2003	5000000000
7	C00519710	80058988,	Indian Overseas Bank	27/08/2003	12000000000
8	C00521716	80038272,	Indian Overseas Bank	27/08/2003	6000000000
9	A40679888	80007453,	VIJAYA BANK 2	2/01/2003	4000000000
10	Z00022854	80007458,	VIJAYA BANK	22/01/2003	1000000000
11	Z00022857	80007459,	VIJAYA BANK	22/01/2003	10000000

Name of Banks	Amount defaulted (₹ in crore) (principal & intt. thereon)	Date of default
Syndicate Bank	280.71	31.03.2018
Indian Overseas Bank	188.02	31.03.2018
Union Bank of India	140.72	28.02.2018

Consolidated Notes to accounts for the year ended March 31, 2023

Name of Banks	Amount defaulted (₹ in crore) (principal & intt. thereon)	Date of default
Indian Bank	94.81	28.02.2018
EXIM Bank	74.43	01.10.2016
Bank of Baroda	26.27	20.06.2018
UBI (Kumily)	1.28	28.02.2018
Balance as on 31.03.2023*	806.23	

Notes of Subsidiary Company

(₹ in Lacs)

Name of Banks	Amount defaulted (principal & intt. thereon) As on 31 st March, 2023
Cash Credit	
- Axis Bank	11,802.13
- Canara Bank	16,198.58
- IDBI Bank Ltd.	19,545.20
- State Bank of India	19,775.13
- UCO Bank	7,203.31
- Union Bank of India	14,336.63
- Vijaya Bank	23,020.57
- Yes Bank	1,497.53
	1,13,379.08
Less: Assets Taken Over	-
	1,13,379.08
- Packing Credit Pre Shipment	-
- Vijaya Bank	969.90
- UCO Bank	3,714.72
	4,684.62
Total	1,18,063.70

The total liabilities to banks along with interest amounting to ₹45,63,55,42,365/- is payable to consortium of seven banks and UCO Bank in respect of devolved LCS/Packing credits since 2008-09. No confirmation 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 had 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. 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 ₹1,48,18,29,854.77/- 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.

Cash credit advance from the bank are secured by paripasu charges over the assets of the company. The Consortium of Lenders has taken over the symbolic possession of the assets of the company during the year 2011-12 and initiated legal proceedings against the company for recovery of dues. The legal proceedings are pending before the DRT.

21. Trade Payable

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
a) Bill Acceptances	-	-
b) Trade Payables	-	-
Total (A)	-	-

Consolidated Notes to accounts for the year ended March 31, 2023

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
a) Trade Payables	1,11,819.72	1,12,071.99
Total (B)	1,11,819.72	1,12,071.99
Total (A+B)*	1,11,819.72	1,12,071.99

Particulars	"Outstanding for following periods from due date of payment"				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	-	-	487.32	1,06,017.54	1,06,504.87
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	5,314.85	5,314.85

Notes of Holding Company:-

* Above includes Trade payable paid only on realization from the outstanding receivables due to back to back payment arrangement.

22. Other Financial Liabilities

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
a. Advance from customer	-	-
b. Customers at Credit	-	-
c. Other liabilities		
- Outstanding liabilities for goods & services received	-	-
- Deposits	-	-
- Security Deposits from:		
: Others	-	-
Less : Security Deposit Payable Adjustment	-	-
- Earnest money deposits	-	-
d. Employees' dues:		
- Pay & Allowances	-	-
- Earned leaves	-	-
e. Lease Liability	-	-
Total	-	-
Current		
a. Advance from customers	3,428.87	3,255.71
b. Customers at Credit	6,484.47	6,498.76
c. Unclaimed dividend	-	-
d. Interest accrued and due on borrowings	3,37,829.52	3,37,829.52

Consolidated Notes to accounts for the year ended March 31, 2023

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
- Outstanding liabilities for goods & services received	23,043.19	22,846.39
- Deposits	4,116.34	4,072.32
- Security Deposits from:		
: Others	308.21	319.60
- Earnest money deposits	613.99	638.38
e. Employees' dues:		
- Pay & Allowances	301.66	380.48
- Other expense	792.20	815.35
- Dues to employees on accrual basis	12.84	11.64
- Earned leaves	914.78	910.62
- STC's employees union	0.52	0.28
- STC's Officers' Association	1.40	0.94
- Salary Saving scheme	0.30	0.51
- Thrift Society	-	-
- Undisbursed Salary	0.81	0.91
- Others (Recreational Club)	-	-
f. Custom duty payable	343.27	343.27
g. ASIDE Grant Payable	109.18	109.18
Total	3,78,301.62	3,78,033.93

** Includes advances of ₹ 11.05 Crore from Andhra Pradesh Police, Forest Department and State Disaster Response for supply of weapon and equipment.

Notes of Subsidiary Company

The Grant-in-Aid includes ₹6,29,00,000/- 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 ₹ 1,21,51,050/- while importing the steam sterilization machineries under export obligation to eight times of the value of duty saved within eight years and if the Company failed to meet the export obligation it is liable to pay custom duty along with interest at the rate of 15% P.A. In this regard the Company has furnished a EPCG bond of ₹ 3,76,68,000/- to customs authorities. The concessional customs duty availed under EPCG Scheme of ₹1,21,51,050/- and interest payable thereon ₹2,03,53,011/- total of ₹3,43,26,719/- shown under other liabilities. No Communication from the custom department pertaining to the above export obligation is received, Opinion will be taken from Customs expert regarding treatment to be given and further course of action will be taken by the Company.

Interest Payable on Devolved LC and Packing Credit liabilities accrued and due [since 2009-10]

Particulars	As at March 31, 2023	As at March 31, 2022
- Axis Bank	19,815.10	19,815.10
- Canara Bank	62,567.23	62,567.23
- IDBI Bank Ltd.	46,144.01	46,144.01
- State Bank of India	51,733.77	51,733.77
- UCO Bank	37,243.05	37,243.05
- Union Bank of India	52,519.92	52,519.92
- Vijaya Bank	64,653.16	64,653.16
- Yes Bank	3,153.28	3,153.28
	3,37,829.52	3,37,829.52

The company has not recognised the interest payable on the above loans from the Financial year 2018-19. The matter is pending before DRT and company is contesting the claims of the various bankers. The consortium of bankers has taken

Consolidated Notes to accounts for the year ended March 31, 2023

over the physical possession of the assets during the year with claim of 1529.05 Crores with further interest, expenses and charges etc as per the demand notice issued under SARFAESI Act,2002. From the year 2018-19, company has not provided interest on the above in books, since company is contesting the claims. However the same is disclosed in contingent liability.

An amount of ₹50,00,000/- [less ₹50,000/- Service Charges of VITC(Visvesvaraya Industrial Trade Centre) - Net ₹49,50,000/-] received in the year 2009-10 as funding under ASIDE Scheme from Visvesvaraya Industrial Trade Centre, Bangalore and the same has been accounted as Grants towards Pepper Processing Unit at siddapura. However due to financial constraints the project was put on hold and the W-I-P of ₹26,46,295/- was written off towards Impairment as on 31.03.12. As per the terms of the grant, if the project is not completed, the grant has to be refunded along with interest @ 10%. Accordingly, the grant received along with interest of ₹1,09,17,808/- has been shown under Current Liabilities as ASIDE Grant Repayable -Siddapura.

₹ 76,30,039/- are EMD maintained by business associates for undertaking domestic trading since litigation are pending before the court. These entries are carried forward in the Books of Accounts from 2007-08. Approval will be taken from Competent Authority to write off EMD amount where there is no litigation pending before any forum.

23. Provisions

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Provisions for Employee Benefits		
Encashment of Half pay leave	-	-
Post Retirement medical benefits	-	-
Total	-	-
Current		
A. Provisions for Employee Benefits		
Encashment of Half pay leave	423.09	418.41
Post Retirement medical benefits	10,058.46	11,377.80
Gratuity	-	-
Performance Related Pay	0.67	0.67
Others	-	-
Sub Total (A)	10,482.22	11,796.88
B. Other Provisions		
Contingencies	4,646.97	4,548.27
Exchange Difference on Forward Contract		
Others (specify nature)	11.12	11.12
Sub Total (B)	4,658.09	4,559.39
Total(A+B)	15,140.31	16,356.27

24. Other Liabilities (Non-Financial)

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
a. Advance from customers	-	-
b. Customers at Credit*	-	-
c. Other liabilities		

Consolidated Notes to accounts for the year ended March 31, 2023

Particulars	As at March 31, 2023	As at March 31, 2022
- Outstanding liabilities for goods & services received	-	-
- Deferred Fair Valuation gain-Deposit Payable	-	-
d. Grant in Aid under ASIDE scheme	-	-
Total	-	-
Current		
a. Advance from customers	-	-
a(i) Interest free advance from PSFMC	-	-
b. Customers at Credit*	605.69	605.69
b. Other liabilities		
- Outstanding liabilities for goods & services received	8.47	10.58
- Stale Cheques	-	-
- Liability for CSR	-	-
- Deposits	46.57	46.57
- Security Deposits	-	-
- Security Deposits (Deferred fair value gain)	-	-
- Earnest money deposits	-	-
- Book Overdraft	-	-
c. Remittances:		
- Professional Tax	0.04	1.53
- Sales Tax/ Value added Tax	2.50	2.51
- Service Tax	-	-
- Income Tax deducted at source	38.74	37.58
- Goods & Service Tax (GST)	150.85	164.82
- Contribution to Provident Fund	38.24	41.25
- Contribution to Employees Pension Scheme - 95	1.66	2.02
- Contribution to Employees Pension Fund	14.21	15.04
- Others	0.10	0.10
d. Grant in Aid	110.09	110.09
Total	1,017.16	1,037.78

Notes of Holding Company:-

* includes an amount payable of ₹ 603 lacs to U.P, Government is adjustable against claims of interest and carrying charges amounting to ₹ 3,382.23 lacs is outstanding from UPGEWC on account of (i) differential of import price and amount realised on risk sale of 9555.285 MTs Lemon Tur and (ii) Interest and carrying charges, and STC has been continuously following up the recovery matter with Govt of UP and filed its petition dtd 28.01.2022 for resolution of dispute through AMRCD mechanism. The matter came up for hearing on 12.04.2023. The next date of hearing is awaited.

Notes of Subsidiary Company

Grant received from VITC (Visvesvaraiya Industrial Trade Centre) under ASIDE Scheme amounting ₹1,20,00,000/- received for Export Promotion during the year 2006-07 towards Chilly Processing Centre-Byadgi. However during the Financial year no grants has been amortised since the possession of such assets for such grant availed has been taken over by the consortium of Banks. As there is no clarity in the ASIDE Scheme as to the procedure that has to be followed when the asset that is procured from the grant is taken over by the bank under the SARFAESI Act, the company is carrying the same as Current liability

Against the Grant in Aid received amounting to ₹ 6,29,00,000/- 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. However during the the Financial year no grants has been amortised since the possession of such assets for such grant availed has been taken over by the consortium of Banks. As there is no clarity in the ASIDE Scheme as

Consolidated Notes to accounts for the year ended March 31, 2023

to the procedure that has to be followed when the asset that is procured from the grant is taken over by the bank under the SARFAESI Act, the company is carrying the same as Current liability.

25. Revenue From Operations

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Sales		
Export	-	-
Imported Goods	-	-
Domestic	-	-
Sub total(A)	-	-
(b) Other operating revenue		
Claims:	-	-
From Others	-	-
Other Trade Income:		
Freight Subsidy	-	-
Others	-	-
Sub total(B)	-	-
Total	-	-

26. Other Income

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Interest income:-		
Advance to Employees	13.65	11.89
Intt on advance to employees -Adjustment on a/c of effective interest	-	-
Inter Corporate Deposits	-	-
Term Deposits With Banks & its subsidiaries :	-	-
Deposits pledged / under Lien as margin money	6.79	12.02
Other bank Deposits	62.07	58.29
Term Deposits With FIs & its subsidiaries:	-	-
Interest on Investments	942.94	519.31
- Other than PCFC / EPC	-	-
Other Miscellaneous interest	1.71	-
Sub Total	1,027.16	990.12
(b) Miscellaneous income:-		
Dividend income-others (gross)	-	-
Security Deposits forfeited	-	0.03
Rent received from Employees	5.23	8.10
Other Receipts	-	0.14

Consolidated Notes to accounts for the year ended March 31, 2023

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sub Total	5.23	8.27
(c) Rental income:-		
Rent Received from let-out property	7,494.79	6,654.28
Recoveries for common services from tenants	812.70	765.83
Sub Total	8,307.49	7,420.11
Less: Expenses related to let out property		
Property tax/Municipal tax	711.44	683.38
Ground Rent	39.50	33.26
Electricity & Water charges	-	-
Rates and Taxes	-	-
Insurance Premium	10.22	10.90
Maintenance Charges	125.56	117.49
Administrative Expenses	86.20	82.42
Sub Total	972.92	927.45
Net rental income (c)	7,334.57	6,492.66
(d) Other Receipts:-		
Difference in exchange other than commodity items	(90.45)	(30.32)
Bad Debts Recovery	-	800.00
Misc. non Trade receipts	246.73	286.07
Amortisation income of Deferred employee advances	-	-
Amortisation income of Deferred Security deposit	-	-
Sub Total	156.28	1,055.75
Total	8,523.24	8,546.80

27. Cost of Materials consumed

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance of material	-	-
Add: Purchases made during the Year	-	-
Less: Closing balance of material	-	-
TOTAL	-	-

28. Purchase of Stock-in-Trade

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Export Purchase	-	-
Import Purchase	-	-
Domestic Purchase	-	-
Freight -Road	-	-
-Marine	-	-

Consolidated Notes to accounts for the year ended March 31, 2023

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Exchange fluctuation -loss	-	-
- On Business Associate's Account	-	-
Export (Receivable)	-	-
Import Payables)	-	-
- On STC's Account	-	-
Export (Receivable)	-	-
Import Payables)	-	-
Insurance - General	-	-
- Marine	-	-
- Self insurance	-	-
Customs Duty, Clearing, handling and other charges	-	-
Other Expenses	-	-
Octroi/Purchase Tax Reimbursement	-	-
Total	-	-

29. Changes in Inventory

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Stock-In-Trade		
At the beginning of Year	-	-
Less : At the end of Year	-	-
Changes in Inventory	-	-

30. Employees' Benefit Expenses

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Remuneration to Staff & Managers		
Salaries and Allowances	1,888.61	2,072.31
Encashment of Earned Leave	104.67	144.64
Encashment of Half Pay Leave	19.13	32.97
Provident fund	167.01	175.39
Employees pension scheme 95 (EPS 95)	18.36	23.92
Welfare Expenses:		
- Medical Expenses on regular employees (OPD)	24.49	27.11
- Medical Expenses on regular employees (IPD)	143.08	92.02
- Medical Expenses on retired employees (OPD)	-	-
- Medical Expenses on retired employees (IPD)	128.93	219.00
- Medical Expenses on Actuarial liability	708.17	588.26

Consolidated Notes to accounts for the year ended March 31, 2023

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
- Others	13.49	22.94
Gratuity	65.83	73.61
Pension	129.49	140.74
Amortisation expenses of Deferred employee cost	-	-
Voluntary retirement benefit* (VRS)	136.48	464.18
Amortisation expense	-	-
Sub Total	3,547.74	4,077.33
(b) Remuneration to Directors		
Salaries and Allowances	2.89	73.34
Encashment of Earned Leave	8.72	-
Encashment of Half Pay Leave	-	-
Provident fund	-	6.38
Welfare Expenses:		
- Medical Expenses on regular employees (OPD)	-	0.40
- Medical Expenses on regular employees (IPD)	-	-
- Medical Expenses on retired employees (OPD)	-	-
- Medical Expenses on Actuarial liability	-	-
Gratuity	-	-
Pension	0.20	2.97
Sub Total	27.58	86.89
TOTAL	3,575.32	4,164.22

31. Finance Cost

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Bank Loan :		
- Working capital Demand Loan(WCDL)	-	-
- Cash Credit	-	-
- Export packing credit/PCFC	-	-
- BAS/External Commercial borrowing	-	-
Business associates :		
- Deposits pledged / under Lien as margin money	-	-
- Other Deposits	-	-
Income Tax	-	0.02
TDS/TCS	-	-
VAT	0.01	0.35
Others	193.93	193.72
TOTAL	193.94	194.09

Consolidated Notes to accounts for the year ended March 31, 2023

32. Depreciation And Amortization Expenses

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on Property Plant & Equipment (PPE)		
Freehold Building	-	-
Plant & Machinery	-	-
Furniture & Fixtures	-	-
Motor Vehicle	-	-
Office Equipment	-	-
Computers, data processing units & communication equipment	-	-
Electrical Installations & Equipment	-	-
Leasehold Land	-	-
Leasehold Building	-	-
Roads, culverts & sewerage etc (Leasehold)	-	-
Plant & Machinery (Leasehold)	-	-
Others	-	-
Sub Total	-	-
Depreciation on investment property :		
Freehold Building	-	-
Leasehold Land	-	-
Leasehold Building	-	-
Sub Total	-	-
Amortisation on intangible Assets		
Computer software	-	-
Others	-	-
Sub Total	-	-
TOTAL	-	-

33. Other Expenses

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Other Operating Expenses		
L/C Negotiation & Bank Charges	-	-
Godown, Plot, Tank Rent	-	-
Claims Paid	-	-
Cost of Tender	-	-
Delievery Charges	-	-
Others	-	-
Sub total	-	-

Consolidated Notes to accounts for the year ended March 31, 2023

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(b) Administration expenses		
Office Rent	14.62	11.03
Rates and Taxes:		
- Property Tax to Municipal Corporation	205.19	120.00
- Others	1.44	0.66
Electricity and Water Charges	94.06	99.77
Printing and Stationery	4.52	11.99
Postage, Telegram, Teleprinter & Telex	2.38	1.49
Telephones	8.78	14.95
Repairs		
- Building	-	-
- Others	0.54	2.82
Travelling Expenses	17.50	9.22
Housing Colony Expenses	46.46	35.38
Service Vehicle Expenses	4.27	12.61
Insurance Premium	16.31	22.21
Auditors' Remuneration	-	-
- Statutory Audit Fees	4.14	9.14
- Tax Audit Fees	1.50	4.00
- Certification fees	3.51	3.00
Information Technology Expenses	19.69	39.57
Conveyance Expenses	1.14	1.10
Maintenance of Office Building	98.43	369.16
Misc. Office expenses	71.66	45.23
Goods & Service Tax (GST) not to be set off	-	-
Sub total	616.15	813.40
(c) Trade Expenses		
Legal & Professional Expenses	329.76	256.43
Advertisement & Publicity	7.22	7.79
Exchange Fluctuations other than commodity items	146.53	50.19
Entertainment expenses	3.03	5.26
Other Trade Expenses	74.48	102.94
Sub total	561.27	428.98
(d) Amortization Expenses		
Amortisation expenses of Deferred employee advances	-	-
Amortisation expenses of Deferred Security deposit	-	-
TOTAL	1,177.42	1,242.38

Consolidated Notes to accounts for the year ended March 31, 2023

34. Exceptional items

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Expenses		
Loss on sale of Property, Plant & Equipment (PPE)	-	0.04
Litigation settlement*	-	-
Provision for expenses	-	8,540.61
Total (a)	-	8,540.65
(b) Write Offs		
Trade Receivables**	-	-
Assets	-	-
Total (b)	-	5,930.42
(c) Provision for Doubtful debts, Loans and advances & Investment		
Trade Receivables	-	-
Claims	4.38	2.10
Loans and Advances	-	-
Deposits	-	-
Total (c)	4.38	2.10
(d) Income		
Profit on Sale of PPE	1.08	0.10
Liabilities Created in previous years written back:	-	-
- Others	27.48	27.12
Provision Written back for doubtful amounts realized:	-	-
-Trade Receivables	-	-
-Claims	-	0.60
Write back of unclaimed credit balances	-	-
Total (d)	28.56	7,383.24
Total (a+b+c-d)	(24.18)	7,089.93

35. Tax Expense

A. Tax recognised in Statement of profit and loss

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current income tax		
Current year	421.95	4.11
Adjustments for prior years	-	(2,763.77)
Sub Total (A)	421.95	(2,759.66)

Consolidated Notes to accounts for the year ended March 31, 2023

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Deferred tax expense		
Origination and reversal of temporary differences	-	7,300.72
Changes in tax rate	-	-
Change in accounting policy	-	-
Sub Total (B)	-	7,300.72
Total (A+B)	421.95	4,541.06

36. Foreign Currency Exposure

(₹ in Lacs)

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Foreign Currency Denomination	Amount in Foreign Currency	Amount in Indian Rupees	Foreign Currency Denomination	Amount in Foreign Currency	Amount in Indian Rupees
A. Receivable :						
IGEDC IRAN	EURO	11.58	990.52	EURO	11.58	990.52
Mumbai branch	USD	2,956.40	1,31,400.92	USD	1,521.57	74,556.73
Various Parties	USD	192.95	15,798.66	USD	1,627.78	66,582.91
Various Parties	EURO	9.32	830.63	Euro	9.32	489.15
CAMAG						
Sub Total (A)		3,170.25	1,49,020.73		3,170.25	1,42,619.31
B. Payable :						
Various Parties	USD	41.49	3,420.95	USD	41.49	3,150.84
Various Parties	Pound	0.04	4.63	Pound	0.04	4.25
M/S Rosanblatt, London						
Sub Total (B)		41.53	3,425.58		41.53	3,155.09

37. Trade Payables

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

(₹ in Lacs)

Particulars	2022-23	2021-22
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, 2023

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

(i) Provisions

(₹ in Lacs)

Particulars	Opening balance as on 01.04.2022	Additions/ Transfers during the year	Utilization during the year	Adjustment during the year	Written-back during the year	Closing balance as on 31.03.2023
Contingencies	4,559.39	98.70	-	-	-	4,658.09
Doubtful Trade Receivables	62,727.62	-	-	-	-	62,727.62
Doubtful Loans	9,147.45	-	-	-	-	9,147.45
Doubtful Claims	3,366.94	4.38	-	-	-	3,371.31
Doubtful Deposits	715.23	-	-	-	-	715.23
Total	80,516.62	103.08	-	-	-	80,619.70

(ii) Contingent Liabilities:

(₹ in Lacs)

Particulars	31.03.2023	31.03.2022
Claims against the company not acknowledged as debt		
(i) Court & Arbitration cases with parties	2,04,729.04	1,76,647.69
(ii) Sales Tax/Service Tax/VAT	49,157.35	49,157.35
(iii) Income Tax	900.89	900.89
(iv) Custom Duty	692.55	692.55
(v) Others	5,73,534.22	4,26,232.15
Total	8,29,014.05	6,53,630.63

Notes of Holding Company:-

- 38.1 **M/s Tanzania Commodities Pvt. Ltd. raised a claim of ₹ 2,446 lacs towards short supply of sugar through the associate M/s Mehak Overseas. The case is pending before the Bombay High Court. Refer note no. 39 (3) for details of M/s Mehak Overseas.
- 38.2 * M/s Mediterranean Shipping raised a claim of ₹ 729 Lacs 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.
- 38.3 ** Demand of ₹ 132.83 Crore was raised by L&DO vide its letter no. L&DDO/LS2A/9225/133 dated 26th March 2018 from 2004-05 onwards for non-compliance of various conditions of the Lease Deed (including non-deposits of 25% of the gross rent received by STC from its tenants). However, the company has disputed the demand and the matter is yet to be resolved. On the observation of CAG audit, the firm liability of ₹ 8,540 lacs has been booked. With a view to obtain updated demand as on date STC approached L&DO on 18.05.2022 wherein it was informed by L&DO that the assessment with regard to raising such demand, they have their own parameters. Further, vide letters dtd 27.12.2022 & 11.05.2023, STC requested L&DO to provide the updated liability towards JVB. In addition Deptt of Commerce vide its letter dtd 13.07.2022 has also taken up the issue with L&DO. The reply from L&DO in this regard is yet to be received. STC is continuously following up with L&DO for JVB and DDA for housing colony. Necessary provisioning shall be made in case any further demand arises.
- 38.4 **Provision as on 31.03.2023 includes ₹ 1124 Lacs (after considering EMD ₹ 199 Lacs available with STC) in respect of contract entered into by the company for import of goods from foreign supplier M/s Synergic Industrial Marketing Services (SIMS), Singapore/ Malaysia, on behalf of the Indian buyer M/s Millennium Wires Pvt. Ltd. The documents tendered by the foreign supplier were forged and fabricated. Hence, STC approached its banker Allahabad Bank, (now merged with Indian Bank) not to release the payment to Foreign Bank against these LCs. Foreign Bank of supplier has approached Delhi High Court for release of payment against LCs. As per court order, Indian Bank has deposited decretal amount with court. As a result of this, Indian bank debited the account of STC, now Delhi High Court has passed its Judgment in the matter between Indian Bank & the Malayan Bank, upholding the decision of single bench against Indian Bank to pay the decreed amount (Rs 10,79,59,518.02 along with pendent lite & future simple interest till realization @ 9% p.a.) to Malayan Bank. Subsequent to the Hon'ble Delhi High Court

Consolidated Notes to accounts for the year ended March 31, 2023

Judgment dated 25.11.2019, STC received a Claim Letter dated 16.01.2020 from Indian Bank for an amount of Rs 16,21,60,914 along with future interest @ 9.65% p.a.w.m.r. towards all 4 LCs (1 LC was not accepted by STC). Further, STC has also referred the matter to different forums. STC has made a provision of ₹ 1,124 Lacs (net of EMD ₹199 Lacs available with STC) in respect of three LCs documents accepted by STC. Since STC has refuted the demand raised by Indian Bank, hence the balance amount of ₹ 393 Lacs has been shown as Contingent liability.

Further, Lender institutions of the Indian buyer (M/s Millennium Wires Pvt. Ltd) have initiated NCLT proceedings. STC had also filed its claim for an amount of Rs 1,491 Lacs in compliance with Orders of the NCLT, Chandigarh Bench before the liquidator to the same extent of amount claimed by bank from STC at the date of filing claim before liquidator, However, The Liquidator has vide email dated 26.05.2020 rejected STC's claim of amount Rs 1,491 Lacs. STC is in the process to appeal against the decision of the Liquidator before NCLT, Chandigarh. After due exchange and filing of replies and rejoinders, the matter was last heard on 27.03.2023 and has been reserved.

Further, Indian Bank has now filed before Debt Recovery Tribunal 2 (DRT 2), New Delhi claiming an amount of ₹ 1,740 Lacs approx. STC has denied and contested this claim. The matter is presently at the stage of evidence. STC had file a complaint with CBI, New Delhi and an FIR NO. : RC 2192022E0001 dated 08.02.2022 has been registered by CBI, New Delhi and investigation is underway in the matter."

Notes of Subsidiary Company

- 38.5 ₹12,68,01,603 [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 3123960/- against STCL with ulterior motive which is false and baseless. However the company has disclosed sum of USD 3123960/- as contingent liability. However the Arbitration proceedings initiated by the DTCL, has been dismissed for non prosecution and non filing of claims.
- 38.6 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 209575000/- 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 209575000/- as contingent liability.
- 38.7 STCL had awarded the Civil construction work to M/s Carmel Builders Fibro tech India Pvt Ltd, in respect of Pepper processing unit at Siddapura in Coorg Dist. Of Karnataka in Aug 2008. The company terminated the contract in July 2009 on account of poor progress of work. The contractor has disputed the same and made a demand of ₹ 80,11,634/- towards the work done. The Arbitration was completed and awarded STCL to pay a sum ₹ 49,41,480/- to M/s Carmel Builders. STCL has challenged the Arbitral award in the court. The Balance amount of ₹ 67,26,634/- (₹ 8,011,634 less ₹1,285,000 shown under payable to contractor) is shown under contingent liability.
- 38.8 The APMC, Bangalore has filed a suit in May 2011 against the Company for recovery of Market Fee / Penalty totalling an amount of ₹1,14,29,284/-. 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.
- 38.9 M/s. Excel Cardamom Company had filed a petition in the year 1992 on the Company in Delhi High Court against the forfeiture of EMD amount of ₹10,00,000 by the Company in respect of cloves transactions. In the year 2007, the High Court having adjudicated the matter, passed a decree that STCL was entitled to forfeit only ₹1,23,342/- being its share of profit and has to refund the balance amount of ₹ 8,76,857/- along with interest. Company had filed an Appeal with the Divisional Bench which stayed the execution of the said decree subject to STCL depositing a sum of ₹6,00,000/- and BG of ₹10,00,000/- in favour of Delhi High Court, which was complied with. The Divisional Bench has passed an order in March-2008 against the company as per which STCL has to pay ₹ 10,00,000/- to Excel Cardamom Co. along with interest of 9% p.a. from June 1989. The order also stated that BG of ₹ 10,00,000/- be encashed and along with the Deposit of ₹6,00,000/- the balance amount Excel Cardamom can file an execution petition. The company has filed a SLP in Supreme Court against the Order of Delhi High Court. However, the company has disclosed the liability of ₹ 35,06,192/- under Contingent Liability.
- 38.10 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 ₹ 3,37,31,514/- including legal fees of ₹ 26,55,114/- 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 ₹ 6,06,69,338/- along with interest of ₹ 2,69,37,824/- till date.

Consolidated Notes to accounts for the year ended March 31, 2023

- 38.11 The Enforcement Directorate has levied penalty of Rs 10,00,00,000 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.
- 38.12 The Company had received a Show-cause Notice from the Service Tax Department in October 2011 for non payment of Service Tax of ₹ 1,42,70,138 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 ₹ 1,42,70,138 as Service Tax and imposing an equivalent amount of ₹ 1,42,70,138/- 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 ₹ 4,22,83,637/- as contingent liability towards service tax for the period from 1.4.06 to 31.03.2014 including the penalties of ₹ 1,42,70,138/-.
- 38.13 In respect of Assessment year 2010-11, notice has been received u/s 220(2) dtd. 26.02.2016 for payment of ₹ 2,11,95,009/- 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 ₹ 2,11,95,009/- under Contingent Liability.
- 38.14 The Income Tax Department has sent a notice of demand to pay Rs 4,23,450 towards short payment of TDS and interest thereon. The Company has replied for rectification of demand and the company has paid ₹154797/ was paid and treated as expenses in accounts. The balance amount has been considered in accounts.
- 38.15 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. IDBI Bank claimed an amount of ₹ 62,00,23,705/- towards penal interest/liquidated damages as per the balance confirmation certificate as on 31.03.2012. However, the company has disclosed the liability of ₹ 62,00,23,705/- under contingent liability.
- 38.16 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. Union Bank of India claimed an amount of ₹ 9,59,97,748/- towards excess interest as per the balance confirmation certificate as on 31.03.2015. However, the company has disclosed the liability of ₹ 9,59,97,748/- under contingent liability.
- 38.17 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 ₹ 94,23,73,090/- towards excess interest as per the balance confirmation certificate as on 31.03.2016. However, the company has disclosed the liability of ₹ 94,23,73,090/- under contingent liability.
- 38.18 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 ₹39,73,57,33,294/-.
- 38.19 The Consortium of Lenders had taken over the symbolic possession of the assets of the company during the year 2011-12 and initiated legal proceedings against the company for recovery of dues. Subsequently during the FY 2019-20 Consortium of the bankers has taken over the physical possession of the assets and initiated the proceedings of auction under the provisions of SARFESI ACT, 2002. The properties at Byadagi and chindawara was sold through auction process as per the provisions of SARFESI ACT for the net amount of ₹4,65,28,726. During the FY 2019-20, the book of value of the assets amounting to ₹2,54,07,589 was reduced from the current liability, since the exact information with regards to sale value realised and appropriated towards the liability was not made available by the banks. During the FY 2020-21, the information from the banks regarding the exact sale proceeds was received and the difference between the book value and the net sale proceeds was offered to tax as capital gain.
- 38.20 The reduction in the due to Banks are subject to balance confirmation from consortium of banks. But however since the possession notice was received from under Section 13 of SARFAESI Act, Company has reduced the borrowings from the books as per the procedure laid down in section 13(7) of the said Act.

Consolidated Notes to accounts for the year ended March 31, 2023

(iii) Litigation Settlements:

Notes of Holding Company

38.17 M/s J.K. International (a foreign supplier) has claimed damages 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 invoked Arbitration clause and Award of Arbitral Tribunal was in favour of the supplier for ₹ 6805 lacs plus interest from 01.12.2009. STC filed an appeal against the Tribunal award before the single bench of the Hon'ble Delhi High Court. The judgment was in favour of supplier for ₹ 5703 lacs plus interest against which STC has filed an appeal before the Double bench of the Hon'ble Delhi High Court. Meantime, M/s. J.K. International filed an SLP against STC at Hon'ble Supreme Court and under order of Hon'ble Court, STC has paid a sum of ₹ 2000 Lacs to J.K. International. The matter was last listed on 24.03.2023 but adjourned to 08.05.2023 due to paucity of time.

38.18 The company has appropriated an amount of ₹ 2,789 Lacs 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 ₹ 2,789 Lacs plus interest @8% p.a. by STC excluding cost of arbitration. Against the same STC has filed an appeal before the Hon'ble High Court. Meanwhile, as per the High Court's direction STC has deposited ₹ 3,192 Lacs with the High Court of Calcutta. The amount has been kept as a Security in the form of FD with High Court, pending appeal. The money was withdrawn by M/s Edelweiss by submitting a Bank Guarantee of equivalent amount and a sum of ₹277 Lacs is left which is the amount of interest accrued over a period of time. Due to prevailing situation caused by the pandemic, the case has not progressed to any decisive stage, due to non-hearing of regular matters.

After consultation with AOR in the aforesaid matter, RO is in the process of filing urgent hearing application so that the appearance of the said matter be regularised and the case may be decided on its merit.

38.19 M/s Helm did not accept the invocation of PBG by STC for recovering the differential/less amount in the transaction and approached the High Court of Delhi who referred the matter to ICA, New Delhi. The majority arbitration award was not in favour of STC. Subsequently, STC fought cases at legal forums to protect GOI's interests, however, both High Court and Supreme Court passed an order in favour of Helm indicating that M/s Helm was not contractually bound to restrict the quantity or price the additional quantity at a reduced rate and was contractually right to supply the additional quantity at the contracted price. Accordingly, as per the Court order, STC has paid the arbitral award amount of ₹ 92.05 crore approx. to M/s Helm. It is pertinent to mention here that Canara Bank (STC's bank who encashed Helm's PBG on STC's instructions) is seeking compensation for losses suffered by them for the period they were deprived of the PBG amount i.e. 2009-2011 as the Majority Arbitration Award did not delve upon Canara Bank's claim for interest for the period it was out of pocket (2009-2011) for the amount of PBG before Delhi International Arbitration Centre, New Delhi against Helm and STC. STC had been requesting DOF for payment of the arbitral award amount and losses suffered by STC as the said transaction was handled by the company on behalf and as per the instructions of DOF only. However, the payment is still awaited from DOF.

(iv) Contingent Assets:

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

(₹ in Lacs)

Particulars	31.03.2023	31.03.2022
Claims*	16,755.15	14,201.18
Advances*	40,237.04	37,497.14
Trade Receivables*	2,69,734.49	2,38,928.06
Others	1,25,469.38	1,25,468.66
Total	4,52,196.07	4,16,095.04

*Contingent assets consist of claims (principal & interest) against those parties where either a provision has been made or has been written off. All these cases are pending at various level of court.

**Others includes net amount of ₹ 467 Lacs receivable from Income Tax Department w.r.t the corporation opting for VsV scheme for the Assessment Year 2011-12.

Consolidated Notes to accounts for the year ended March 31, 2023

- (v) Pursuant to the demand letters dated 01.04.2020 issue to 27 officers (6 serving and 21 retired) (CMD/Director/ CVO/CGMs) recovery has been made from 10 officers. Six officers have since approached Delhi High court against subject recovery out of which one officer expired in the year 2020. In respect of other 11 officers recovery suit has been filed by STC and the same are pending before the district court Patiala House New Delhi. In the matter of writ petition number © 1564/2019 file before High court of Delhi on 04.02.2019 by 4 ex-Directors against the demand letters / show cause notice issued for recovery of access payment of works and allowance is be on 50% ceiling the honourable High court of Delhi wide order dated 25.04.2023 pronounce the judgment in their favour. The above judgment dated 25.04.23 is being challenged by preferring appeal before the division bench of the honourable High court of Delhi.

Notes of Holding Company:-

39. Major Legal cases (Trade Receivables)

- 39.1 STC has supplied HR Coils to M/s Conros Steel during 2009-10. Party has defaulted in making payment due against one of the LC amounting to ₹1,205 Lacs (LC Value ₹1,005 Lacs and Interest & other expenses ₹ 200 Lacs). STC has filed civil applications and criminal complaint under various sections of Indian Penal Code. The material sold to the associate 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 of ownership of stock, against which STC has filed declaratory suit in the lower court, Panvel, Navi Mumbai. Meantime, the Hon'ble Court has asked MSTC to conduct the sale of pledged stock and deposit the sale proceeds with the Hon'ble Court. Accordingly, MSTC conducted e-auction of th stock and deposited sale proceeds of ₹ 1,028 Lacs with the court. Further, the lender institutions have initiated proceeding under NCLT against the party, STC has filed its claim of ₹ 2,870 Lacs (including interest of ₹ 1,665 Lacs shown as contingent assets) before NCLT dated 21.08.2018.
- 39.2 STC has exported Gold jewellery to various parties of UAE against which USD 1,61,705,695 equivalent to ₹ 78,765 Lacs is outstanding for recovery. STC had discounted 90% of the bills from EXIM Bank and paid 83.5 % to respective Indian Suppliers. As per the agreements with local supplier, local suppliers were responsible for remittances from the foreign buyers. As foreign buyers started to default from 2008-09 onwards, STC initiated criminal and civil proceedings against local suppliers to recover the outstanding dues which are still pending. However, against most of the Indian suppoers, winding up orders have already been passed. Provision of ₹ 44,546 Lacs has been made and balance of ₹ 34,219 Lacs has not been provided as the same is payable to various local suppliers.
- 39.3 Other trade receivables include ₹4,192 Lacs (approx.) 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 Mehek Overseas under various agreement against which corresponding credit balance of ₹ 4,192 Lacs appearing under Trade Receivables is payable under trade payable. Further, a financial assistance of ₹ 7,533 Lacs given by STC to M/s Mehek Overseas Ltd. (MOPL) for the purchase of Agri Commodities has already been written off during 2013-14. 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 ₹4,192 Lacs, no provision is considered necessary." During the FY-2022-23 no change in status.
- 39.4 Trade receivables include ₹56,844 Lacs (approx.) 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. The foreign buyers i.e. M/s Loben Trading and M/s Sweetland, defaulted in making payment against the export bills. A claim of ₹52,786 Lacs has been admitted by the liquidator of one of the foreign buyer i.e. Loben Trading Co.Pte Ltd, Singapore . A Decree of Rs 6,247 Lacs has been passed by Hon'ble Mumbai High Court in favour of STC against the dues from 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 institutions have filed legal suit against RPL before DRT making STC also a party to the case claiming ₹ 47,647 Lacs.
- 39.5 Non-Current Claim Recoverable includes Rs 392 Lacs from M/s Lichen Metals (the party) out of total exchange gain of Rs 3,187 Lacs 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 ₹ 2,795 Lacs taken from holding company (M/s Edelweiss) of the party leaving a recoverable balance of Rs 392 Lacs. However, holding company had approached for arbitration against adjustment of its deposit by STC against the dues of the party (i.e. subsidiary). Arbitration award was in favour of the holding company of the party. However, STC has filed an appeal against the arbitration award before the Hon'ble High Court which is still pending. Hence, no provision for the same has been made. STC has deposited ₹ 3,192 Lacs with Hon'ble High Court, Calcutta pending appeal in Edelweiss matter. The amount was kept as a security in the form of FD with High Court, pending appeal. The money was withdrawn by M/s Edelweiss and a sum of ₹ 277 Lacs is left which is the amount of interest accrued over a period of time.

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STC Kolkata has filed a petition GA no 3 of 2023 A.P no 424 of 2019 before the honourable Calcutta High court for directions to be issued to the Ld. Registrar Original side High court Calcutta to release the said some of INR 277 lying with the PL account of the registrar at the reserve Bank of India Kolkata to the petitioner. The matter appeared for hearing before Calcutta High court on 25.04.2023 where in honourable justice Shekhar Saraf has ordered to file affidavit in opposition two weeks from date and reply thereto if any be filed one week thereafter next date of hearing in the opposite matter is awaited.

- 39.6 STC has exported 19,980 MTs Rice for amounting to USD 60,93,900 (equivalent to ₹4,065 Lacs) 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 ₹ 415 Lacs 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 ₹ 415 Lacs 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. Further in subsequent joint meeting of FCI, STC & MEA, it was decided that MEA shall pay the amount due of ₹ 415 Lacs. STC is not out of pocket and on receipt, amount will be passed to FCI. However, vide letter dated 08.10.2021, MEA has informed that they have made full and final settlement of ₹ 27,97,96,833/- on 27.12.2020 with Department of Food and Public Distribution. STC vide letter dated 29.10.2021 submitted that STC is not privy to said settlement and requested that the details may be shared with STC. Reminder to said letter was again forwarded vide letter dated 09.05.2023.
- 39.7 STC has exported steel plates to Iranian Gas Engineering & Development Co. (IGEDC, Iran) during 2014-15 to 2016-17 for amounting to ₹ 2,87,324 Lacs under a contract which expired in January 2017. As on balance sheet date ₹ 9,078 Lacs reconciled is still outstanding. The amount outstanding will be paid by IGEDC, Iran. In the present case STC is not out of pocket since the amount outstanding from IGEDC on receipt is payable to back-up supplier M/s Essar Steel Ltd., Hazaria (now M/s Arcelor Mittal Nippon Steel India Limited) and accordingly no provision has been made.
- 39.8 Trade receivables include an amount of ₹ 1,054 Lacs 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 ₹ 696 Lacs has been made as the said amount is secured by mortgage of free hold land. A provision of ₹ 358 Lacs has been made against the dues. Tender was floated for the sale of mortgaged property at Dankuni, however, no bids were received. Efforts are being made through Liquidation process as well for recovery of dues as based on Liquidator's acceptance of STC's claim, STC has won the arbitration award of ₹ 2,974.95 lacs in its favour. The matter is proceeding before the Official Liquidator as per norms of Liquidation.
- 39.9 Non-Current Claim Recoverable includes Rs 392 Lacs from M/s Lichen Metals (the party) out of total exchange gain of Rs 3,187 Lacs 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 ₹ 2,795 Lacs taken from holding company (M/s Edelweiss) of the party leaving a recoverable balance of ₹ 392 Lacs. However, holding company had approached for arbitration against adjustment of its deposit by STC against the dues of the party (i.e. subsidiary). Arbitration award was in favour of the holding company of the party. However, STC has filed an appeal against the arbitration award before the Hon'ble High Court which is still pending. Hence, no provision for the same has been made. STC has deposited ₹ 3,192 Lacs with Hon'ble High Court, Calcutta pending appeal in Edelweiss matter. The amount was kept as a security in the form of FD with High Court, pending appeal. The money was withdrawn by M/s Edelweiss and a sum of ₹ 277 Lacs is left which is the amount of interest accrued over a period of time. STC Kolkata has filed a petition GA no 3 of 2023 A.P no 424 of 2019 before the honourable Calcutta High court for directions to be issued to the Ld. Registrar Original side High court Calcutta to release the said some of INR 277 lying with the PL account of the registrar at the reserve Bank of India Kolkata to the petitioner. The matter appeared for hearing before Calcutta High court on 25.04.2023 where in honourable justice Shekhar Saraf has ordered to file affidavit in opposition two weeks from date and reply thereto if any be filed one week thereafter next date of hearing in the opposite matter is awaited.
- 39.10 As Samsung did not agree with the penalty imposed by STC and the subsequent encashment of PBG by STC in the matter, Samsung initiated arbitration proceedings against STC and STC also filed its counter claim. As per the Arbitral award, Samsung is entitled to the return of a sum of USD 15,62,430.88 plus interest @ 8% from 26.12.2016

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by STC. STC filed an appeal against the said arbitration award before Delhi High Court. The Hon'ble Delhi High Court had only granted conditional stay in the matter upon deposit of the principal amount awarded by the Ld. Sole Arbitrator. Accordingly, STC deposited ₹ 11.03 Cr approx. with the Court as per its directions. Department of Fertilizers has till date not withdrawn the penalty imposed by them in the said transaction.

- 39.11 STC received a demand of ₹ 8,002 Lacs 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 of ₹ 8,002 Lacs, STC has paid ₹ 2,212 Lacs during 2016-17 against which CCIC has paid its share of ₹ 115 Lacs. However, HHEC has not paid its share, hence provision to the extent of share of HHEC out of payment of ₹ 2,212 Lacs has already been made.
- 39.12 Advances includes a sum of ₹ 8,739 Lacs receivable from M/s MMT Nevyali, excluding contingent assets of ₹ 32,238 Lacs recoverable from one of the business associates, against which the company has initiated legal actions including criminal proceedings. In this regard, full provision has been made in earlier years. The Company was successful in getting arbitration award for ₹ 11,000 Lacs in its favour along with 12% interest per annum from 1st May 2006 till realization of award. However, the party and its partner filed application under sec 34 of arbitration act challenging the arbitral award. The applications have been heard and arguments completed on 28.01.2021 and order is reserved. Further, under execution petition of STC filed in 2018, contempt petition was filed against M/s MMT for disposing of their properties despite court restrictions in 2006. Court on 02.05.2023 directed M/s MMT to file its reply and be present in person on 24.05.2023.
- 39.13 Trade receivables of ₹ 5 Lacs (excluding Contingent Assets) is receivable from M/s Balasore Alloys, the business associate. Various legal cases i.e u/s 138 of N.A Act & u/s 482 of Cr. PC are pending before Hon'ble Courts in New Delhi are being pursued vigorously. STC in total has received ₹ 5,855 Lacs in terms of interim award dated 23.03.2017 of Arbitral Tribunal. Both side arguments got over and written submissions had also been submitted during January, 2020. However, as ICA was not publishing the award for want of payment of ₹ 50,47,250/- from M/s BAL and in absence of award, STC cannot proceed further with the execution of award. Hence an application requesting Hon'ble High Court of Delhi (DHC) to direct ICA for publication of award was filed during October, 2021. During the hearing held on 23.03.2023, Hon'ble DHC has directed that M/s Balasore Alloys Ltd. shall deposit the entire fee with the Indian Council of Arbitration within a period of 08 weeks.
- 39.14 STC filed its petition dtd 15.06.2021 before AMRCD for recovery of its outstanding dues for Rs 22,172 Lacs from DOCA under various accounts arising out of implementation of 15% subsidy scheme of Pulses. AMRCD vide order dtd 29.05.2022 dropped STC's claims of Rs 9,734 Lacs and Rs 3,012 Lacs and accepted STC's claim of Rs 1,880 Lacs to the extent of Rs 1,425 Lacs. However on STC's claim of Rs 7,546 Lacs pertaining to M/s JK International as the matter is sub-judice, STC has been asked to take up the matter afresh before AMRCD after Court decision, if felt necessary. STC is following up with DoCA for releasing the awarded amount of ₹ 1425 lacs to STC.

Notes of Subsidiary Company:-

- 39.15 ₹ 2.08 Crore [excluding interest and trade margin] was due from one of the debtor against High Seas Sale and Pledge of stocks in their premises which was under CWC management. As the payment were not received, the Company invoked the Personal Corporate Guarantee executed by the debtor in favor of the company and filed cases under Section 138 of N.I.Act. The company has made full provision for ₹ 2.08 Crore in the earlier years. Arbitral award dtd.30.09.2013 came in favor of the Company for recovery of claims debtor has challenged the Arbitral award in the court and the Company has filed its objection. The party has remitted a sum of ₹ 0.19 Crore during the financial year 2018-19, the same has been reversed in earlier provisions and leaving a balance of ₹ 1.89 Crore.
- 39.16 ₹ 17.10 Crore is due from another debtor. The Company has filed a private complaint in the magistrate court against RPEPL.its sister concern and C&F Agent for unauthorized lifting of stock, which has been referred to the jurisdiction police station at Bangalore. Since B. Report was filed by the police. Company has challenged on the B report in the court requesting for re-investigation. The Company has initiated action u/s.138 of Negotiable Instrument Act for the return of the cheque unpaid. In addition the Company has invoked the personal guarantee issued by the director of RPFPL and against the non payment the Company has filed a recovery suit in the Kolkata High Court The Arbitral award dtd.23.03.2016 came in favor of the Company. The Company has made full provision for ₹ 17.10 Crore in the earliest years. The company has also filed a petition under Section 7 of IBC Act, before NCLT, Kolkata against the said debtor and awaiting for the legal process.
- 39.17 ₹ 8.96 Crore is due from another debtor (for which provision was made in the earlier years) against High seas Sale and Pledged of stocks held in the premises of Container Corporation of India at Chennai. As the Payments were not received. The Company invoked the personal Corporate Guarantee executed by debtor under 138 of NI Act. STCL is in the process of exploring possibilities with custom authorities for liquidation of the available stock for

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recovery of the dues. STCL had initiated Arbitration and Retired Justice had been appointed on 19.06.2016 as Arbitration proceedings was completed and the award was given in favor of STCL vide the order dated 20.06.2017 for an amount of ₹8.96 Crore however SGSRL has challenged the award in the city civil court Bangalore which is in progress. Case filed by the company under Section 138 of NI Act has been dismissed and the company has challenged the order and moved an appeal before the High Court of Karnataka, the matter is pending.

- 39.18 ₹12.64 Crore [excluding interest] is due from one of the Business Associate, regarding a stock of around 29,400 MTS of Iron ore fines [subject to handling and storing loss an account of long storage period] approximately valuing ₹ 3.38 Crore as per the present market value. The stocks are in the custody of C&F agent at Vizag and there is claim of custodian charges amounting to ₹ 1.67 Crore. Further business associate has moved in the High Court of Karnataka for appointment of Arbitrator, which is awaited.
- 39.19 ₹6.86 Crore [excluding interest] is due from one of the business associate, the matter was referred to arbitration. The arbitration award was declared in Company's favor for recovery of claim along with legal cost. Further business associate has challenged the arbitration award and filed a petition before the Court and the matter is pending.
- 39.20 ₹12.38 Crore [excluding interest] is due from another business associate. The company is pursuing the legal/recovery cases against the party.
- 39.21 The Company has issued charge sheet to 7 officials in respect of (i), (ii) & (iii) above and also in respect of quality claims of USD 2.88 Million [₹18.67 Crore] by overseas buyer against Company which is shown under contingent liability. The CVC has appointed the inquiry officer and the inquiry is in progress.
- 39.22 ₹3.91 Crore is due from another business associate. The Company had filed a Private Complaint for diverting and misappropriation of 371 MTS of Pulses. Since the 'B' report has been filed by the Police after investigation, the Company has challenged on the 'B' report filed by the police in the Court requesting for re-investigation. The Company has also filed case under section 138 of NI Act, the legal proceedings are in progress and company has won for the claim of ₹1.50 Crores and the party has filed an appeal with the appellate authority which is pending for disposal. The Company has made full provision for the amount due in the earlier years.
- 39.23 ₹2.08 Crore/-[excluding interest and trade margin] was due from one of the debtor, Company had created a provision for the full amount earlier. The party has remitted a sum of ₹ 1.54 Crore during the financial year 2019-20, the same has been reversed in earlier provisions.
- 39.24 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 development 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.
- 39.25 -
- 39.26 -
- 39.27 -
- 39.28 Vide the impugned order, ED had levied a penalty of Rs, 10 Crore with direction to pay the penalty with in 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

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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.

- 39.29 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.
- 39.30 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.
- 39.31 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.
- 39.32 In this connection, the Company has obtained the court injunction on the properties of the business associate. The Company had engaged the services of Government and Banks Registered Valuer to assess the value of land located at Punjab during January, 2012. By oversight while converting 2382.91 Bighas into Acres from the valuation report dtd. 20.01.2012 it was wrongly mentioned as 578 acres as against 501.66 acres in the previous year accounts (4.75 Bighas equal to 1 Acre, 20 Biswa equal to 1 Bigha). Further the valuation of 2382.91 Bighas (501.66 Acres) was ₹ 548.45 crores as per the valuation report dtd. 20.01.2012 has come down to ₹ 400.28 crores as per the valuation report dtd. 02.12.2016 which has been shown in the below table.

(Amount in INR)

Particulars of Properties	Average Value	
Immovable properties of Business Associates :		
Land located at Punjab [501.66 acres] as per valuation report did. 02.12.2016.	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 crores.

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.

- 39.33 In the opinion of the Management, the current assets, loans & advance have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance sheet and necessary provision has been made in the cases wherever it is considered as doubtful.

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39.34 As full provision for doubtful debts has already been made in the previous years, no further interest income is recognized. The amounts will be recognized as income in the year of actual recovery on collection basis. The interest payable to consortium of banks and UCO bank of ₹ 559.59 Core calculated on accrual basis is to be recovered from the business associated to whom the credit facilities were provided.

40. Commitments

(₹ in Lacs)

Particulars	31.03.2023	31.03.2022
Capital Commitments :		
PPE	102.44	199.31
Intangible Assets	6.37	6.37
Total	108.80	205.68
Other Commitments	-	-

41. Disclosures in respect of Ind AS 107 - Financial Instruments

41.1 Financial Instruments by Categories & 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 carrying value and fair value of financial instruments by categories were as follows:

(a) As on March 31, 2023

(₹ in Lacs)

Particulars	Hierarchy Level	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)	3	1.04			1.04	1.04
Cash & Cash Equivalents (Ref Note No. 16)	3	1,605.20			1,605.20	1,605.20
Bank Balances other than cash & cash equivalents (Ref Note No. 17)	3	17.96			17.96	17.96
Trade Receivable (Ref Note No. 9)	3	1,06,946.18			1,06,946.18	1,06,946.18
Employee Loans & Others (Ref Note No. 10)	3	320.39			320.39	320.39
Security Deposits(Ref Note No. 10)	3	3,254.43			3,254.43	3,254.43
Other Financial Assets (Ref Note No. 11)	3	30,153.77			30,153.77	30,153.77
Total		1,42,298.97	-	-	1,42,298.97	1,42,298.97
Financial Liabilities:						
Trade Payable (Ref Note No. 21)	3	1,11,819.72			1,11,819.72	1,11,819.72
Borrowings (Ref Note No. 20)	3	1,98,686.94			1,98,686.94	1,98,686.94
Other Financial Liabilities (Ref Note No. 22)	3	3,78,301.62			3,78,301.62	3,78,301.62
Total		6,88,808.28	-	-	6,88,808.28	6,88,808.28

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(b) As on March 31, 2022

(₹ in Lacs)

Particulars	Hierarchy Level	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)	3	1.04			1.04	1.04
Cash & Cash Equivalents (Ref Note No. 16)	3	3,707.01			3,707.01	3,707.01
Bank Balances (Ref Note No. 17)	3	17.96			17.96	17.96
Trade Receivable (Ref Note No. 9)	3	1,06,691.79			1,06,691.79	1,06,691.79
Employee Loans & Others (Ref Note No. 10)	3	366.80			366.80	366.80
Security Deposits(Ref Note No. 10)	3	3,262.21			3,262.21	3,262.21
Other Financial Assets (Ref Note No. 11)	3	24,625.23			24,625.23	24,625.23
Total		1,38,672.04	-	-	1,38,672.04	1,38,672.04
Financial Liabilities:						
Trade Payable (Ref Note No. 21)	3	1,12,071.99			1,12,071.99	1,12,071.99
Borrowings (Ref Note No. 20)	3	1,98,686.94			1,98,686.94	1,98,686.94
Other Financial Liabilities (Ref Note No. 22)	3	3,78,033.93			3,78,033.93	3,78,033.93
Total		6,88,792.86	-	-	6,88,792.86	6,88,792.86

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.

41.2 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
Market risk- Security price fluctuation	Mutual fund Investments	Sensitivity analysis
Credit risk	Cash and cash equivalent, trade receivables, security deposits, financial instruments.	Ageing analysis Credit rating
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts

Consolidated Notes to accounts for the year ended March 31, 2023

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 31.03.2023

(₹ in Lacs)

Particulars	US Dollars (in Equiv. INR)	Euro (in Equiv. INR)	Other Currencies (in Equiv. INR)	Total
Cash & cash equivalents	-	-	-	-
Trade Receivable	1,47,199.58	1,821.16	-	1,49,020.73
Freight Demurrage/Despatch Receivable	-	-	-	-
Other Receivable	-	-	-	-
Total Receivable in Foreign Currency	1,47,199.58	1,821.16	-	1,49,020.73
Foreign currency Loan Payable	-	-	-	-
Interest on foreign currency loan payable	-	-	-	-
Trade Payables	3,420.95	-	4.63	3,425.58
Freight Demurrage/despatch payable	-	-	-	-
Provision towards Litigation settlement	-	-	-	-
Others (if any)	-	-	-	-
Total payable in Foreign currency	3,420.95	-	4.63	3,425.58
Net Assets/(Liabilities)	1,43,778.63	1,821.16	(4.63)	1,45,595.15

(b) As on 31.03.2022

(₹ in Lacs)

Particulars	US Dollars (in Equiv. INR)	Euro (in Equiv. INR)	Other Currencies (in Equiv. INR)	Total
Cash & cash equivalents	-	-	-	-
Trade Receivable	1,41,139.64	1,479.67	-	1,42,619.31
Freight Demurrage/Despatch Receivable	-	-	-	-
Other Receivable	-	-	-	-
Total Receivable in Foreign Currency	1,41,139.64	1,479.67	-	1,42,619.31
Foreign currency Loan Payable	-	-	-	-
Interest on foreign currency loan payable	-	-	-	-
Trade Payables	1,665.41	-	4.25	1,669.66
Freight Demurrage/despatch payable	-	-	-	-
Provision towards Litigation settlement	-	-	-	-
Others (if any)	-	-	-	-
Total payable in Foreign currency	1,665.41	-	4.25	1,669.66
Net Assets/(Liabilities)	1,39,474.24	1,479.67	(4.25)	1,40,949.66

Consolidated Notes to accounts for the year ended March 31, 2023

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, 2023	March 31, 2022
Increase by -%	Negligible or no impact	
Decrease by -%		

ii) Interest rate risk

The company's main interest rate risk arises from long term and short term borrowings with variable rates, which expose the company to cash flow interest rate risk. During March 31, 2023 and March 31, 2022, Company's borrowings are denominated in INR.

The exposure of company's borrowings to interest rate changes at the end of reporting period are as follows:

(₹ in Lacs)

Particulars	March 31, 2023	March 31, 2022
Variable rate borrowings	-	-
Fixed rate borrowings	80,623.24	80,623.24
Total borrowings	80,623.24	80,623.24

Sensitivity

Profit or loss is sensitive to higher/lower expense from borrowings as a result of change in interest rates. The table summarises the impact of increase/decrease in interest rates on Profit or loss.

Particulars	Impact on profit after tax	
	March 31, 2023	March 31, 2022
Interest rates- increase by (%)	No Impact	
Interest rates- decrease by (%)		

iii) Security price fluctuation risk

The company's exposure to security price risk arises from company's investments in mutual funds and classified in the balance sheet as fair value through profit and loss.

Sensitivity

The table below summarises the impact of increase/decrease of the investment by certain percentage on Profit or Loss of the company.

Particulars	Impact on profit after tax	
	March 31, 2023	March 31, 2022
Interest rates- increase by (%)	No Impact	
Interest rates- decrease by (%)		

b) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables and unbilled revenue. Accordingly, credit risk from trade receivables has been separately evaluated from all other financial assets in the following paragraphs.

Consolidated Notes to accounts for the year ended March 31, 2023

Trade Receivables & Unbilled Revenue

(₹ in Lacs)

Particulars	March 31, 2023	March 31, 2022
Trade Receivables	1,69,673.81	1,69,419.41
Unbilled Revenue	-	-

Trade receivables and unbilled revenue are both secured & unsecured and are derived from revenue earned from customers. On account of adoption of Ind-AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the company's historical experience for customers.

Credit risk exposure

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

(₹ in Lacs)

Particulars	March 31, 2023		March 31, 2022	
	Gross	Impairment	Gross	Impairment
Not past due	-	-	-	-
Past due upto 6 Months	-	-	-	-
Past due more than six months but not more than one year	-	-	-	-
More than one year	1,69,673.81	62,727.62	1,69,419.41	62,727.62
Total	1,69,673.81	62,727.62	1,69,419.41	62,727.62

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 (Note if any impairment provisions are made against these financial assets then information to be provided)

c) Liquidity Risk

Our liquidity needs are monitored on the basis of monthly and yearly projections. The company's principal sources of liquidity are cash and cash equivalents, cash generated from operations and credit facilities from banks.

We manage our liquidity needs by continuously monitoring cash inflows and by maintaining adequate cash and cash equivalents. Net cash requirements are compared to available cash in order to determine any shortfalls.

Short term liquidity requirements consists mainly of sundry creditors, expense payable, employee dues arising during the normal course of business as of each reporting date. We maintain a sufficient balance in cash and cash equivalents to meet our short term liquidity requirements.

We assess long term liquidity requirements on a periodical basis and manage them through internal accruals.

The table below provides details regarding the contractual maturities of non-derivative financial liabilities. The table have been drawn up based on the undiscovered cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The table includes both principal & interest cash flows.

Consolidated Notes to accounts for the year ended March 31, 2023

(a) As on March 31, 2023

(₹ in Lacs)

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	-	-	2.87	159.60	1,11,657.25	1,11,819.72
Short term borrowings	-	-	-	80,623.24	1,18,063.69	1,98,686.93
Other Financial Liabilities	15,255.69	404.12	5,552.84	3,46,314.26	10,774.71	3,78,301.62
Total	15,255.69	404.12	5,555.72	4,27,097.10	2,40,495.65	6,88,808.28

(b) As on March 31, 2022

(₹ in Lacs)

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	-	29,840.90	639.51	1,062.37	80,529.20	1,12,071.99
Short term borrowings	-	-	80,623.24	-	1,18,063.69	1,98,686.93
Other Financial Liabilities	15,153.46	401.41	5,515.64	3,46,260.92	10,702.51	3,78,033.94
Total	15,153.46	30,242.32	86,778.39	3,47,323.29	2,09,295.40	6,88,792.86

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

The amount of exchange differences (net) debited/credited to the Statement of Profit & Loss ₹ - 236.98 lacs (P.Y. ₹80.51 lacs.)

43. 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, 2023 & March 31, 2022 respectively.

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

During the year, the company assessed the impairment loss of ₹ Nil (P.Y. ₹Nil.) on assets. Refer Note 32.

45. 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.

Consolidated Notes to accounts for the year ended March 31, 2023

Segment Revenues and Results

(a) for the year ended March 31, 2023

(₹ in Lacs)

S. No.	Particulars	Export	Import	Domestic	Unallocated	Total
1	Segment Revenue					
1(a)	External Sales	-	-	-	-	-
1(b)	Inter segment revenue	-	-	-	-	-
	Segment Revenue (1(a) + 1 (b))	-	-	-	-	-
2	Segments Results	-	-	-	-	-
3 (a)	Unallocated Corporate expenses net of unallocated income	-	1.55	-	(2,647.91)	(2,646.35)
3 (b)	Interest Expense	72.85	-	-	-	72.85
3 (c)	Interest Income	-	-	-	(964.11)	(964.11)
	Total [3(a)+3(b)+3(c)]	72.85	1.55	-	(3,871.67)	(3,797.28)
4	Profit before tax from ordinary activities [(2)- 3(a),(b) & (c)]	(72.85)	(1.55)	-	3,650.95	3,576.56
5	Exceptional Items	-	-	-	(24.18)	(24.18)
6	Income taxes	-	-	-	421.95	421.95
7	Net Profit after tax (4)- (5) -(6)	(72.85)	(1.55)	-	3,253.19	3,178.79
8	Interest in results of JV's	-	-	-	-	-
9	Other Information :	-	-	-	-	-
9 (a)	Segment Assets	9,078.38	96,149.06	-	1,29,511.77	2,34,739.20
9 (b)	Segment Liabilities	11,323.53	1,05,286.56	-	5,88,355.66	7,04,965.75
9 (c)	Capital Expenditure	-	-	-	-	-
9 (d)	Depreciation	-	-	-	-	-
9 (e)	Non-Cash expenses other than depreciation	72.84	-	-	-	72.84

(b) for the year ended March 31, 2022

(₹ in Lacs)

S. No.	Particulars	Export	Import	Domestic	Unallocated	Total
1	Segment Revenue					
1(a)	External Sales	-	-	-	-	-
1(b)	Inter segment revenue	-	-	-	-	-
	Segment Revenue [1(a) + 1 (b)]	-	-	-	-	-
2	Segments Results	-	-	-	-	-
3 (a)	Unallocated Corporate expenses net of unallocated income	-	273.58	-	9,600.55	9,874.13
3 (b)	Interest Expense	-	-	-	-	-
3 (c)	Interest Income	(72.85)	-	-	177.74	104.89
	Total [3(a)+3(b)+3(c)]	(72.85)	273.58	-	10,715.43	10,916.17
4	Profit before tax from ordinary activities [(2)- 3(a),(b) & (c)]	(72.85)	(273.58)	-	3,292.54	2,946.11
5	Exceptional Items	-	-	-	7,089.93	7,089.93
6	Income taxes	-	-	-	4,541.06	4,541.06
7	Net Profit after tax [(4)- (5) -(6)]	(72.85)	(273.58)	-	(8,338.46)	(8,684.89)

Consolidated Notes to accounts for the year ended March 31, 2023

(₹ in Lacs)

S. No.	Particulars	Export	Import	Domestic	Unallocated	Total
8	Interest in results of JV's	-	-	-	-	-
9	Other Information :	-	-	-	-	-
9 (a)	Segment Assets	9,036.22	95,332.14	-	1,26,350.71	2,30,719.06
9 (b)	Segment Liabilities	10,648.30	1,05,825.97	-	5,89,712.64	7,06,186.91
9 (c)	Capital Expenditure	-	-	-	-	-
9 (d)	Depreciation	-	-	-	-	-
9 (e)	Non-Cash expenses other than depreciation	72.85	-	-	-	72.85

(ii) Information about major customers

For the year ended March 31, 2023

(₹ in Lacs)

Major Customer (customer having more than 10% revenue)	Export	Import	Domestic
	Year ended March 31, 2023	Year ended March 31, 2023	Year ended March 31, 2023
Total Revenue	NIL		
Name of Major Customer :			
% of Total Revenue			

NOTE NO. 46 :

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.

(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

Consolidated Notes to accounts for the year ended March 31, 2023

in the Company's financial statements as at balance sheet date:

(₹ in Lacs)

Net defined benefit (asset)/liability :	31.03.2023	31.03.2022
Current	433.40	487.11
Non-Current	1,131.17	1,226.28
Total PBO at the End of year	1,564.57	1,713.40

Movement in net defined benefit (asset)/liability

(₹ in Lacs)

S. No.	Particulars	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit (asset) liability	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
A	Opening balance	1,788.85	2,236.92	1,593.96	2,246.21	194.88	(9.29)
B	Included in profit or loss:	-	-	-	-	-	-
(i)	Current service cost	52.19	141.97	-	-	52.19	141.97
(ii)	Past service cost	-	-	-	-	-	-
(iii)	Interest cost (income)	125.19	146.20	(105.67)	(143.26)	19.51	2.94
	Total amount recognised in profit or loss (i+ii+iii)	177.38	288.16	(105.67)	(143.26)	71.71	144.90
C	Included in OCI:	-	-	-	-	-	-
	Remeasurement loss (gain):	-	-	-	-	-	-
	Actuarial loss (gain) arising from :	-	-	-	-	-	-
(i)	Financial assumptions	(26.46)	(29.85)	-	-	(26.46)	(29.85)
(ii)	Experience adjustment	(4.67)	113.20	-	-	(4.67)	113.20
(iii)	Demographic Assumption	-	-	-	-	-	-
(iv)	Return on plan assets excluding interest income	-	-	2.92	29.86	(2.92)	28.30
	Total amount recognised in other comprehensive income (i+ii+iii)	(37.95)	83.35	2.92	29.86	(40.87)	111.65
D	Other	-	(48.28)	-	-	-	(48.28)
E	Contribution Paid to the Fund	-	-	195.03	4.09	(195.03)	(4.09)
F	Benefits paid	(294.92)	(771.30)	(294.92)	(771.30)	-	-
G	Acquisition Adjustment	-	-	-	-	-	-
h	Closing balance (A+B-C+D+E+F+g)	1,633.35	1,788.85	1,602.68	1,593.96	225.71	194.88

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

(₹ in Lacs)

S.No.	Particulars	As at 31.03.2023	As at 31.03.2022
(A)	Balance with Bank		
	SBI	0.07	0.07
	Yes Bank	-	-
	IDBI	1.11	9.57
	Total (A)	1.18	9.64
(B)	Group Gratuity Traditional Fund Scheme	-	-
	Bajaj Allianz	1,227.51	1,140.12

Consolidated Notes to accounts for the year ended March 31, 2023

(₹ in Lacs)

S.No.	Particulars	As at 31.03.2023	As at 31.03.2022
	SBI Life	1.70	1.58
	HDFC Standard Life Insurance	317.86	376.65
	Total (B)	1,547.07	1,518.35
	Grand Total (A+B)	1,548.25	1,527.99

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:

(₹ in Lacs)

Net defined benefit (asset)/liability :	31.03.2023	31.03.2022
Current	708.35	930.06
Non-Current	9,350.11	10,447.74
Total PBO at the End of year	10,058.46	11,377.80

Movement in net defined benefit (asset)/liability

(₹ in Lacs)

S. No.	Particulars	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit (asset) liability	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
A	Opening balance	11,377.80	11,461.17	-	-	11,377.80	11,461.17
B	Included in profit or loss:	-	-	-	-	-	-
(i)	Current service cost	34.78	41.65	-	-	34.78	41.65
(ii)	Past service cost	-	-	-	-	-	-
(iii)	Interest cost (income)	796.45	765.61	-	-	796.45	765.61
	Total amount recognised in profit or loss	831.23	807.26	-	-	831.23	807.26
C	Included in OCI:	-	-	-	-	-	-
	Remeasurement loss (gain):	-	-	-	-	-	-
	Actuarial loss (gain) arising from :	-	-	-	-	-	-
(i)	Financial assumptions	(2,027.51)	(671.63)	-	-	(2,027.51)	(671.63)
(ii)	Experience adjustment	-	-	-	-	-	-
(iii)	Return on plan assets excluding interest income	-	-	-	-	-	-
	Total amount recognised in other comprehensive income	(2,027.51)	(671.63)	-	-	(2,027.51)	(671.63)
D	Other	-	-	-	-	-	-
E	Benefits paid	(123.06)	(219.00)	-	-	(123.06)	(219.00)
F	Closing balance (A+B+C+D+E)	10,058.46	11,377.80	-	-	10,058.46	11,377.80

Consolidated Notes to accounts for the year ended March 31, 2023

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

(₹ in Lacs)

Net defined benefit (asset)/liability :	31.03.2023	31.03.2022
Current	180.24	179.53
Non-Current	734.54	731.08
Total PBO at the End of year	914.78	910.62

Movement in net defined benefit (asset)/liability

(₹ in Lacs)

S. No.	Particulars	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit (asset) liability	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
A	Opening balance	959.89	1,010.20	-	-	959.89	1,010.20
B	Included in profit or loss:	-	-	-	-	-	-
(i)	Current service cost	50.76	52.76	-	-	50.76	52.76
(ii)	Past service cost	-	-	-	-	-	-
(iii)	Interest cost (income)	67.17	67.47	-	-	67.17	67.47
C	Remeasurement loss (gain):	-	-	-	-	-	-
	Actuarial loss (gain) arising from :	-	-	-	-	-	-
(i)	Financial assumptions	(28.29)	(25.52)	-	-	(28.29)	(25.52)
(ii)	Experience adjustment	7.27	47.30	-	-	7.27	47.30
(iii)	Demographic Assumption	-	-	-	-	-	-
(iii)	Return on plan assets excluding interest income	-	-	-	-	-	-
	Total amount recognised in profit or loss (B+C)	96.93	142.02	-	-	96.93	142.02
D	Other	-	-	-	-	-	-
E	Benefits paid	(85.36)	(192.33)	-	-	(85.36)	(192.33)
	Closing balance (A+B+C+D+E)	971.46	959.89	-	-	971.46	959.89

Sick Leave

(₹ in Lacs)

Net defined benefit (asset)/liability :	31.03.2023	31.03.2022
Current	69.04	88.37
Non-Current	297.37	280.78
Total PBO at the End of year	366.41	369.14

Consolidated Notes to accounts for the year ended March 31, 2023

Movement in net defined benefit (asset)/liability

(₹ in Lacs)

S. No.	Particulars	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit (asset) liability	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
A	Opening balance	369.14	374.48	-	-	369.14	374.48
B	Included in profit or loss:	-	-	-	-	-	-
(i)	Current service cost	16.52	16.09	-	-	16.52	16.09
(ii)	Past service cost	-	-	-	-	-	-
(iii)	Interest cost (income)	25.84	25.02	-	-	25.84	25.02
C	Remeasurement loss (gain):	-	-	-	-	-	-
	Actuarial loss (gain) arising from :	-	-	-	-	-	-
(i)	Financial assumptions	(9.13)	(7.71)	-	-	(9.13)	(7.71)
(ii)	Experience adjustment	(14.09)	2.20	-	-	(14.09)	2.20
(iii)	Demographic Assumption	-	-	-	-	-	-
(iv)	Return on plan assets excluding interest income	-	-	-	-	-	-
	Total amount recognised in profit or loss (B+C)	19.13	35.60	-	-	19.13	35.60
D	Other	-	-	-	-	-	-
E	Benefits paid	(21.87)	(40.94)	-	-	(21.87)	(40.94)
	Closing balance (A+B+C+D+E)	366.41	369.14	-	-	366.41	369.14

E Other Benefits

Service awards are given to regular employees for rendering continuous service in the Company for long service rendered by them on completion of 15/25/30/35/38 years of service. Besides this, service award @ ₹ 1,000/- per year for each completed year of service is also given at the time of retirement subject to a maximum of ₹ 30,000/-. The same has been discontinued vide personnel division Circular dated 13.06.2017.

F Actuarial Assumptions

The following were the principal actuarial assumptions at the reporting date

(₹ in Lacs)

S.No.	Particulars	31.03.2023	31.03.2022
1	Discount Rate	7.35%	7.00%
2	Future Salary Increase	7.35%	7.00%
3	Medical Cost Increase	7.35%	7.00%

- The discount rate is based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that of the liability.
- Salary Growth rate is company's long term best estimate as to salary increases & takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting period.
- Medical Cost increase rate is company's long term best estimate as to cost increases taking into account of inflation, other relevant factors on long term basis as provide in relevant accounting period.

G Sensitivity Analysis

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:

Consolidated Notes to accounts for the year ended March 31, 2023

As on 31.03.2023

Assumption	Change in Assumption	Gratuity	PRMB	Earned Leave	Half Pay Leave
		(Funded)	(Non Funded)		
Discount rate	0.50%	(42.66)	(552.63)	(36.41)	(12.28)
	-0.50%	45.56	576.92	39.48	13.22
Salary growth rate	0.50%	11.58	-	41.86	13.01
	-0.50%	(12.96)	-	(38.89)	(12.27)
Medical Cost Increase	0.50%	-	592.61	-	-
	-0.50%	-	(565.65)	-	-

As on 31.03.2022

Assumption	Change in Assumption	Gratuity	PRMB	Earned Leave	Half Pay Leave
		(Funded)	(Non Funded)		
Discount rate	0.50%	(47.30)	(625.12)	(31.72)	(11.42)
	-0.50%	50.63	652.59	40.70	12.17
Salary growth rate	0.50%	15.07	-	42.81	11.93
	-0.50%	(17.67)	-	(39.61)	(11.39)
Medical Cost Increase	0.50%	-	670.35	-	-
	-0.50%	-	(639.85)	-	-

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.

I Maturity Profile of Defined Benefit Obligations

As on 31.03.2023

(₹ in Lacs)

Year of payment	Gratuity	PRMB	Earned Leave		Half Pay Leave	
	(Funded)	(Non Funded)				
Less than 1 year	449.02	69.04	188.11	-	708.35	-
Between 1-2 years	151.92	34.82	75.93	-	781.35	-

Consolidated Notes to accounts for the year ended March 31, 2023

(₹ in Lacs)

Year of payment	Gratuity	PRMB	Earned Leave		Half Pay Leave	
	(Funded)	(Non Funded)				
Between 2-3 years	210.88	35.79	86.67	-	800.40	-
Between 3-4 years	100.94	22.00	55.79	-	843.82	-
Between 4-5 years	67.31	10.08	28.15	-	898.70	-
Over 5 years	733.85	194.49	618.48	-	6,025.84	-

Maturity Profile of Defined Benefit Obligations

As on 31.03.2022

(₹ in Lacs)

Year of payment	Gratuity	PRMB	Earned Leave		Half Pay Leave	
	(Funded)	(Non Funded)				
Less than 1 year	497.75	930.06	179.76	-	88.37	-
Between 1-2 years	169.92	1,079.92	84.78	-	34.66	-
Between 2-3 years	151.45	1,105.24	63.21	-	29.85	-
Between 3-4 years	192.45	1,166.25	75.10	-	31.23	-
Between 4-5 years	93.38	1,242.10	47.64	-	19.12	-
Over 5 years	766.10	5,853.23	583.77	-	165.91	-

47. Disclosure in respect of Indian Accounting Standard 24 "Related Parties Disclosures"

a. List of Related Party

(ii) **Joint Ventures:** N.S.S Satpura Agro Development Company Limited(iii) **Others:** Sealac Agro Ventures Ltd.

b. Key Managerial Personnel (KMP)

Name	Designation	Remarks
Shri. NAN Jayakumar	Director-Marketing	w.e.f 12.06.2019
Shri. Kapil Kumar Gupta	Director- Marking (MMTC)	Additional Charge of STC w.e.f. 03.06.2020
Shri. DP Mishra	Chief General Manager	w.e.f 03.03.2021
Shri. S.K. Meena	Joint General Manager	w.e.f 03.03.2021
Shri B.S Rao	Chief Financial Officer	w.e.f 12.02.2022
Shri Vipin Kumar Tripathi	Company Secretary	w.e.f. 20.12.2019
Shri Vinod Kumar Singh (Subsidiary Company)	Managing Director (Addl. Charge)	

c. Post Employment benefit plans

- The STC of India Ltd. Employees Provident Fund Trust.
- The STC of India Ltd. Gratuity Fund Trust.
- STC Employees Defined Contribution Superannuation pension trst.

d. Entities under the control of the same Government

The company is a Central Public Sector Undertaking (CPSU) controlled by Central Government by hold majority of shares (refer note no. 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 exemption available for government related entities and has made

Consolidated Notes to accounts for the year ended March 31, 2023

limited disclosure 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:

Subsidiaries and Joint Venture Companies Particulars	Subsidiaries		Joint Venture Companies	
	2022-23	2021-22	2022-23	2021-22
Rent Received (₹ Lacs)	2.40	2.40	NIL	

Compensation to Key Management Personnel

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
- Short-term Employee benefits	62.93	183.69
- Post-employment benefits	179.34	179.34
- Termination benefits	-	-
- Other long-term benefits	19.26	19.26
Total	261.53	382.30

Particulars	The STC of India Ltd. Employees Provident Fund Trust		STC Employee Defined Contribution Superannuation Pension Trust		The STC Gratuity Fund Trust	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
STC Contribution for the year	153.41	172.87	112.82	125.42	-	-
Outstanding Balance at the end of the Year with STC	12.81	39.69	9.42	15.06	30.90	195.03

Transactions with the Related Parties under the control of the same Government

(₹ in Lacs)

S. No.	Name of the Govt. Deptt. / Govt. entity	Nature of relationship with Entity	Nature of Transaction	2022-23	2021-22
1	SBI Personalised Banking Branch	Govt	Rent+CMC	183.25	183.25
2	SBI IFB Branch	Govt	Rent+CMC	729.68	729.68
3	SBI CAG Branch	Govt	Rent+CMC	643.02	643.02
4	SBI Overseas Branch	Govt	Rent+CMC	921.99	921.99
5	Special Protection Group	Govt	Rent+CMC	31.44	31.44
6	Security Printing & Minting Corporation	Govt	Rent+CMC	788.49	583.91
7	IRCTC	Govt	Rent+CMC	19.24	19.24
8	Office of Chief Comptroller	Govt	Rent+CMC	-	361.85
9	Capacity Building Commission	Govt	Rent+CMC	831.70	-
10	Department of admist. Reform and Public gravience	Govt	Rent+CMC	1,479.09	1,479.09
11	Department of Economic Affairs	Govt	Rent+CMC	1,470.39	588.31
12	NCLT	Govt	Rent+CMC	317.49	280.04
13	ONGC	Govt	Rent+CMC	210.99	210.99
14	Commission of Air Quality Index	Govt	Rent+CMC	678.33	621.80
15	DOPT	Govt	Rent+CMC	-	723.88

Consolidated Notes to accounts for the year ended March 31, 2023

ii) Outstanding balances with related parties are as follows:

Net defined benefit (asset)/liability :	March 31, 2023	March 31, 2022
Amount recoverable towards loans :		
- From Subsidiaries	NIL	
- From Key Managerial personnel		
- From Others		
Amount recoverable other than loans :		
- From Subsidiaries	2.40	2.40
- From Joint Ventures	NIL	
- From Key Managerial personnel		
- From Post employment benefit plans		
Amount Payable		
- From Subsidiaries	NIL	
- From Joint Ventures		
- From Others		

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.

h. Commitments to Related Parties need to be given

48. DISCLOSURE AS PER IND AS 27 'SEPARATE FINANCIAL STATEMENTS'

a) Investment in Subsidiaries:

Company Name	Country of Incorporation	31 st March 2023	31 st March 2022
STCL Limited	India	100%	100%

b) Investment in Joint Venture Entities/Associates:

Company Name	Country of Incorporation	Proportion of Ownership	
		31 st March 2023	31 st March 2022
NSS Satpura Agro Development Company Limited	India	25%	25%
Richfield Aquatech Ltd.	Investment have been written off in earlier years		
Blue Gold Maritech Ltd.			
Indopirin Gloves Limited.			

49.1 As lessee

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation charged for right to use asset	-	-
Interest expense on lease liability	-	-
Expense related to short term lease (less than 12 months)	-	-
Income from sub leasing right to use assets	-	-
Total cash outflow for leases	-	-
Additions to right to use assets	-	-

Consolidated Notes to accounts for the year ended March 31, 2023

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
gain or losses arising from sale and leaseback transactions	-	-
the carrying amount of right to use assets at the end of reporting period by class of underlying asset	-	-

49.2 As lessor

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

(₹ Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Within less than 1 year	NIL	
Between 1 year and 5 years		
After more than 5 years		

Payments recognised in Statement of Profit & Loss

(₹ Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Income - generating property	7,334.58	6,655.99
Vacant Property		
Self Occupied Property		

50 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:

(₹ Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Face Value Per Equity Share (₹)	10	10
Profit (loss) for the year, attributable to the owners of the company (A)	5,241.31	(8,125.68)
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	600.00	600.00
Basic EPS (A/B)	8.74	(13.54)

b) Diluted EPS

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

(₹ Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit (loss) for the year, attributable to the owners of the company (A)	5,241.31	(8,125.68)
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	600.00	600.00
Diluted EPS (A/B)	8.74	(13.54)

Consolidated Notes to accounts for the year ended March 31, 2023

51. Dividends

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) No. of Equity Shares (in crore)	600.00	600.00
(ii) Dividends not recognised at the end of year.	-	-

52. Assets Pledged as Security

(₹ Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current/Non-current	NIL	
Financial/Non-Financial Assets		
First Charge/Floating Charge	Trade Receivables of the company	

Notes of Holding Company:-

53. Disclosure

Following Ratios to be disclosed:-

(a) Current Ratio,	0.21	0.20
(b) Debt-Equity Ratio,	(1.50)	(1.49)
(c) Debt Service Coverage Ratio,	0.02	(0.02)
(d) Return on Equity Ratio,	-	-
(e) Inventory turnover ratio,	-	-
(f) Trade Receivables turnover ratio,	-	-
(g) Trade payables turnover ratio,	-	-
(h) Net capital turnover ratio,	-	-
(i) Net profit ratio,	-	-
(j) Return on Capital employed,	(0.01)	0.01
(k) Return on investment.	-	-

1. Current Ratio : Current Assets/ Liabilities, Current Assets include inventories, trade receivable, Cash & cash equivalents, Loans, other financial assets. Current Liabilities include Borrowing, trade Payable, other financial liabilities and other current liabilities
2. Debt-Equity Ratio : Debt /Equity, Debt include Total Liabilities other than Shareholder fund
3. Debt Service Coverage Ratio: EBIT/Borrowing +Interest
4. Return on Equity: Net Profit/ Share holder fund
5. Inventory Turnover Ratio: Cost of Goods Sold/ Average Inventory
6. Trade Receivables turnover ratio: Net Credit Sale/ Average Trade Receivable
7. Trade payables turnover ratio: Credit purchase/ Average Trade Payable
8. Net capital turnover ratio: Turnover / shareholder fund
9. Net Profit Ratio : Net Profit / Turnover
10. Return on Capital employed : EBIT/ Shareholder Fund + Longterm Debts
11. Return on investment : Return / Cost of Investment

Consolidated Notes to accounts for the year ended March 31, 2023

54. Disclosure

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoter		NIL
Directors		
KMPs	4.09	-
Related Parties		NIL

55. Balance confirmations & Reconciliation

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

56. Non-Going Concern

Consequent upon the decisions taken in the meeting held on 29.08.2019, by the administrative ministry and further decision of the Board in its 639th meeting dated 05.04.2021, it has been resolved that STC to continue as a non-operating company for the time being and to prepare the accounts from the F.Y. 2021-22 onward on non-going concern basis for the first time. Therefore the current year figures are not comparable with that of the previous year because accounts for FY 2020-21 were prepared on a going concern basis and the same has not been reclassified.

- 57.** STC got a plot land at Mallet Bunder belonging to MBPT on lease for a period of 30 years. On the land leased there were three constructed oil storage tanks along with other required infrastructure. The lease period had already expired on 17.10.2016. On expiry initially STC was seeking extension of lease of plots with MbPT and consequent upon decision to stop trading activities by STC, we have written to MbPT on 10.07.2020 for surrendering of said plots. Subsequently, the surrender certificate was executed on 12.11.2021.

As regards 02 cases (EO/E-275 of 2018 dated 10.05.2019 and EO/E-274 of 18.04.2019) filed by MbPT against STC before the H'ble estate officer, STC has requested MbPT to sttle the dispute through AMRCD mechanism which is binding on STC as well as on MbPT. On 18.04.2022 MbPT sought time to obtain approval for considering the STC's proposal for considering the STC's proposal for referring the matter to AMRCD for the settlement of dispute. NDOH is 24.05.2022. The tanks installed at Mallet Bunder has been surveyed by the MbPT and three tank farms, Machinery way leave, Pipelines and other assets as per inventory (handed over on as is where is basis) with an understanding that the value of the same shall be adjusted and paid to STC. Hence, appropriate treatment will be effected upon arrival of such valuation.

Notes of subsidiary company.

- 58.** Approval of financial statements - The financial statements is yet to be approved by the board of directors
- 59.** In the opinion of the Management, the Current Assets, Loans & Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and necessary provision has been made in the cases wherever it is considered as doubtful.
- 60.** As full provision for doubtful debts has already been made in the previous years, no further interest income is recognized. The amounts will be recognized as income in the year of actual recovery on collection basis. The interest payable to consortium of banks and UCO Bank is calculated on accrual basis is to be recovered from the business associates to whom the credit facilities were provided.
- 61.** The Company has filed a civil suit in 1994 against M/s. Rajesh Spices for breach of contract on supply of chillies to M/s. Kerala State Civil Supplies Corporation under back to back supply contract terms. The City Civil Court has passed a decree in favour of the Company directing M/s. Rajesh Spices to pay ₹33,64,560/- with interest @ 9% p.a. [from the date of suit i.e., June 1994 to till realization] to STCL during August 2011. The decree passed in favour of the company has been transferred to City Civil Court, Nagpur, Maharashtra for recovery.
- 62.** In cases where the Company has made Provision for Doubtful Debts, no further interest / additional margin of profit are recognized after they have been classified as doubtful debts. Any amount received from these parties after being classified as doubtful debts is being credited to their accounts and necessary entry for withdrawal of provisions are made. Only after the full receipt of the balance outstanding as per books, the interest / additional margin of profit will be recognized on cash basis.

Consolidated Notes to accounts for the year ended March 31, 2023

63. Miscellaneous Expenses do not include items of expenses exceeding 1% of the total revenue of the company or ₹10,00,000/- which ever is higher.

64. No loans are extended to Promoters, related parties, Key managerial persons or directors

65. Relationship with struck off companies

Name of struck off company	Nature of transactions	Transactions during the year ended March 31, 2023	Balance outstanding as at March 31, 2023	Relationship with the struck off company
NIL				
Name of struck off company	Nature of transactions	Transactions during the year ended March 31, 2022	Balance outstanding as at March 31, 2022	Relationship with the struck off company

66. The Company does not hold any immovable property as on 31st March, 2023. Accordingly, no proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988.

67. There were no approvals for any kind of Scheme of Arrangements w.r.t section 230 to 237 of companies Act 2013. Hence disclosure with respect to Scheme of Arrangement and its recording in books of accounts is not applicable.

68. Company has not borrowed or lent any money during the financial year. Hence status of utilisation of the borrowed money disclosure is not applicable.

As per our report of even date attached

For Tiwari & Associates

Chartered Accountants

Firm Reg. No. 002870N

Sd/-
(K.K. Gupta)
Director Finance -MMTC
Additional Charge of STC,
DIN -08751137

Sd/-
(Hardeep Singh)
CMD
DIN-09778990

Sd/-
(CA. Sandeep Sandill)
Partner
M. No. 085747

Sd/-
(VIPIN TRIPATHI)
Company Secretary
ACS -29378

Sd/-
(S.K Chawla)
Independent Director
DIN-09400987

Sd/-
(B.S.Rao)
CFO

Place: New Delhi
Dated: 23.05.2023

MANAGEMENT REPLIES TO THE OBSERVATION OF STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2022-23

S. No.	Observation of the Statutory Auditor	Management Replies
A.	Basis for Qualified Opinion	
1	<p>Non -Current Assets held for Sale</p> <p><i>i. We draw your attention to Note No. 2(ii) regarding management decision to continue the Group as non-operating Group for the time being and to prepare the accounts from the financial year 2021-22 onwards as per non-going concern basis. Thus, there has been change in the significant accounting policies of the Group and the presentation of financial statements.</i></p> <p><i>As per Note No. 3.1 (e) in the Notes to accounts it is further stated that the financial statements for the year 2022-23 have been prepared on realization basis (non-going concern assumption) and the non-current assets have been classified as held for sale. Therefore, all the assets held for sale have been carried at their estimated realizable values. However, all the non-current assets held for sale i.e. Property, Plant and Equipment in absence of any report for realizable value have been stated at their respective historical values/carrying values as per books of accounts as on 31.03.2023 and not on realization basis. This is non-compliance of the accounting policy No. 3.1 (e) of the Group and we are unable to comment upon the impact of the same on the financial statements.</i></p> <p><i>Further there is also non-compliance of requirements of IND AS-105</i></p> <p><i>As per IND AS-105, "Non -Current Assets held for Sale and Discontinued Operations", it requires that asset that meet the criteria to be held for sale should be measured at lower of carrying amount and fair value less costs to sell and to be separately presented in the Balance Sheet and also result of discontinued operations to be presented separately in the Statement of Profit and Profit.</i></p> <p><i>However, no fair value estimation of the non-current assets held for sale have been carried out as on 31st March,2023 but is said to be under process. Thus, there is also non-compliance of IND AS 105 applicable to the Group.</i></p>	<p>The tendering process for valuation of STC's immovable properties as on 31.12.2022 was carried out but the same was not successful as none of the bidders technically qualified. Further, the tender for valuation of STC's immovable properties as on 31.03.2023 was again initiated on GeM portal and the same is under process.</p>
	<p>ii. Refer to Note No.4(a) of Consolidated Financial Statements, non-availability of title deeds in the name of the Group in respect of following properties namely:</p> <p>a) Leasehold Building</p> <p>i. Leasehold land at Jawahar Vyapar Bhawan valued at ₹ 55,929 lacs</p> <p>ii. Leasehold land at Housing Colony at Aurobindo Marg valued at ₹ 12,394 lacs</p> <p>iii. Plot at Mallet Bunder, Mumbai Port Trust valued at ₹ 11.67 lacs</p> <p>b) Freehold Building</p> <p>i. 8 Residential Flats at Asian Games Village Complex, allotted by DDA amounting to ₹ 2720 lacs</p> <p>ii. 7 apartments in different locations of Mumbai amounting to ₹ 1918 lacs</p>	<p>(a) (i) & (ii) Jawahar Vyapar Bhawan & STC Housing Colony, Malviya Nagar: Since there are some dues payable to L&DO and DDA, efforts are being made to settle the same under the directions of MOC&I. Moreover, MOC&I is also taking up the matter directly with L&DO. Title deeds when received shall be made available.</p> <p>(a) (iii) Leasehold land includes a plot at Mallet Bunder, Mumbai Port Trust (where STC has a Tank Farm Installation) for which lease period has expired and the surrender certificate has been executed on 12.11.2021. The tanks installed at Mallet Bunder has been surveyed by the MbPT and assets handed over on as is where is basis with an understanding that the value of the same shall be adjusted and paid to STC. Hence, appropriate treatment will be effected upon arrival of such valuation.</p> <p>(b) (i & ii) With regard to AGVC and Mumbai R.O. are leasehold properties and the title deeds are not available.</p>

S. No.	Observation of the Statutory Auditor	Management Replies
	<p>Further, lease period for plot at Mallet Bunder, Mumbai Port Trust has already expired and the land has been handed over to Mumbai Port Trust. Surrender certificate has been executed on 12.11.2021. But this still continues to be shown as non-current assets held for sale. Thus, non-current assets held for sale has been overstated by ₹ 11.67 lacs. It will also have consequential impact on the Statement of Profit and Profit account resulting into overstatement of profit by ₹ 11.67 lacs.</p> <p>Further the farm tanks installed at Mallet Bunder amounting to ₹ 14.84 lacs have also been handed over on as is where is basis. The State Trading Corporation of India Limited has not raised any debit note for the same and thus non-current assets are being overstated by ₹ 14.84 lacs.</p> <p>Further, STC has not amortised the value of the leasehold properties according to the IND AS 116 for the period expired till 31.03.2023 resulting into overstatement of non-current assets held for sale and consequential impact on profit of the STC, the amount whereof could not be quantified in absence of complete data from the Group.</p>	<p>STC had a lease on a plot of land at Mallet Bunder belonging to MBPT, which expired on 17.10.2016. STC initially sought an extension of the lease but later decided to surrender the plots due to a decision to non-viability and stopping trade activities. Subsequently, the said plot was surrendered and surrender certificate was executed on 12.11.2021. MBPT had filed two cases against STC before the H'ble estate officer, but they were withdrawn after a meeting between the two parties, and outstanding issues/ disputes (if any) shall be resolved under the provisions of AMRCD mechanism. The assets handed over to MBPT installed at Mallet Bunder have been surveyed by MBPT, and the value of the and farms, machinery way leave, pipelines, and other assets will be adjusted against outstanding dues of STC. STC is regularly seeking updated on valuation from MBPT.</p> <p>As per the opinion of legal counsel and GST consultant, STC is liable to pay differential rent i.e. after adjustment of amount paid by STC against the compensation for the use of occupation beyond the lease period to the tune of ₹ 920 lac per mensem as per clause no. 24 of the lease agreement dated 30.07.1984 along with applicable GST. The reconciliation with MBPT is pending and disputed. Accordingly, appropriate treatment will be effected upon arrival of such valuation.</p>
	<p>i. Refer Note No. 4, for non-adjustment of value/area in Fixed Assets Register against areas acquired by Delhi Metro Rail Corporation (DMRC) for construction of Metro Station & by L&DO for widening of the Road during Asian Games, as well as the flats/area of land sold by the Group to The Handicrafts and Handloom Exports Corporation of India Limited (HHEC) for its Housing colony. Management is in correspondence with DMRC and concerned departments.</p> <p>This has resulted into overstatement of non-current assets held for sale and consequential impact on profit of the STC, the amount whereof could not be quantified in absence of complete data from the STC.</p>	<p>This observation has been repeated since previous years. 325.685 square meters taken by NDMC for widening of roads during Asian Games and 388.91 square meters 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 has taken up the matter with L&DO for reduction of both the area and the records will be updated in Fixed Assets register/Schedule in respect of its area & value once the final outcome in the matter is arrived at. The efforts are being made with L&DO in this regard on regular basis.</p> <p>As per STC's Board's decision dated 31.01.1975, 64 nos. of flats were sold to HHEC. The necessary accounting treatment was done in the year 1975-76 itself.</p>

S. No.	Observation of the Statutory Auditor	Management Replies
2	<p>Trade Receivables</p> <p>Trade receivables includes a sum of ₹ 1,72,497.35 lacs which have been outstanding for more than 3 years. The Group has made provision for bad and doubtful debts amounting to ₹ 65,551.17 lacs and another sum of ₹ 68,027.84 lacs have been shown as "Having Significant increase in credit risk" since the same is under litigation. As per Note No.9, it is explained that no provision has been made for the same since the relevant creditors will be paid only after recovery of these trade receivables, though in most of the cases agreements are not tripartite.</p> <p>Further there has been no recovery during the Financial Year 2022-23 and there is no major update of legal cases which are pending at various forums. Thus trade receivable do not seems to be stated at realisable value less cost to be incurred to recover these trade receivables. There is also no balance confirmation available for these trade receivables as on 31.03.2023 and hence we are unable to comment upon the genuineness and effect of the same on the financial statements, if any.</p> <p>We are of the view that trade receivables amounting to 1,72,497.35 lacs are considered doubtful of recovery resulting into short provision for doubtful debts amounting to ₹ 1,06,946.18 lacs. Thus the provision for bad and doubtful debts has been understated by ₹ 1,06,946.18 lacs and consequential impact on the statement of profit and profit account resulting into overstatement of profit by ₹ 1,06,946.18 lacs.</p> <p>Further in case of M/s Rajat Pharmaceuticals Ltd (RPL), under note no.39, who drew bills of exchange on STC which were accepted upon receipt of overseas buyer's pre-acceptance to STC's bills of exchange. However, the foreign buyers defaulted in making payments against the export bills and have gone into liquidation. A sum of ₹527.86 crores has been admitted by the liquidator of one of the foreign buyer's i.e. Loben Trading Co. Pte. Ltd, Singapore. A Decree of Rs 62.47 crores approx. has been passed by Hon'ble Bombay High Court in favour of STC against the dues from another foreign buyer i.e Sweetland Trading Pte Ltd., Singapore. As of current date, RPL has gone into liquidation and official liquidator is appointed by Hon'ble High Court of Bombay. The matter is also under investigation by CBI. Banks & Financial institutions have filed legal suit against RPL before DRT making STC also a party to the case claiming ₹ 476.47 Crore. Also refer to Note No. 39, for matters other than RPL, as all these matters are sub-judice and/or under investigation of CBI and we are unable to comment upon the genuineness and effect of the same on the Financial Statements.</p>	<p>Out of the total trade receivable of ₹ 1,69,673.80 lacs includes ₹ 62,727.62 lacs "having significant increase in credit risk" being under dispute/litigation.</p> <p>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.</p> <p>Further, this is a trading arrangement continuing since last many years. Since STC has already lodged its claim in the court and the matter are sub-judice, required provision shall be made after decision of the court.</p> <p>Balances of trade receivables, trade payables and liabilities are being reconciled after completion of each transaction and the accounts are settled with the party. However, confirmation in respect of trade receivables and trade payables under litigation is not available at this stage, as it may be used against STC by the other party.</p> <p>This observation has been repeated since previous years. Trade receivables include ₹56,844 Lacs (approx.) 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. The foreign buyers i.e. M/s Loben Trading and M/s Sweetland, defaulted in making payment against the export bills. A claim of ₹52,786 Lacs has been admitted by the liquidator of one of the foreign buyer i.e. Loben Trading Co.Pte Ltd, Singapore . A Decree of Rs 6,247 Lacs has been passed by Hon'ble Mumbai High Court in favour of STC against the dues from 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 institutions have filed legal suit against RPL before DRT making STC also a party to the case claiming ₹ 47,647 Lacs.</p>

S. No.	Observation of the Statutory Auditor	Management Replies
3	<p>Borrowings</p> <p>Refer to Note No. 20 , the view of the default by the STC in paying due to interest amount to the banks, STC was declared NPA. The lender banks have initiated DRT proceedings against the STC. The memorandum of the OTS (MOTS) proposal with lender banks is still in progress and is in line with the minutes of the high-level meeting held in 29.08.2019 and the further clarificatory letter dated 13.10.2020 of the Administrative Ministry. The liability towards banks is proposed to be settled by the way of transfer of title of identified property worth ₹300 crore on “as is where is basis” as a full and final settlement.</p> <p>The lead bank (Canara Bank) has given two options to the company:-</p> <ol style="list-style-type: none"> 1. Execution of equitable mortgage in favour of the lead bank at Delhi so that lenders can legally proceed for sale of properties mentioned in the Settlement Agreement with the authority to sell and realise the sale amount. 2. As joint suit is pending before the DRT-II, Delhi, the lenders shall proceed before DRT in execution of the consent decree for the accepted OTS amount of ₹ 300 cr. <p>The decision making is pending with STC to convey their acceptance of suitable option for moving the MOTS ahead subject to seeking opinion from senior Government advocate. Pending settlement of OTS, the Group has not provided any interest further in its financial statements during 2022-23.</p> <p>Considering the fact that correspondence has been made by Canara Bank and STC in respect of the MOTS of Borrowings, the Borrowings have been crystallized at ₹ 30,000 lacs on as is where is basis. However, contrary to this, borrowings have been reflected at ₹ 80,623.24 lacs as against 30000 lacs, thereby overstating the borrowings to the extent of ₹ 50,623.24 lacs. The management is of the opinion that the matter is still in discussion stage.</p> <p>This is also non-compliance of IND AS -109 as well as IND AS -10 (regarding events occurring after Balance Sheet date) by not taking into consideration the accounting effects of the events occurring after the balance sheet date regarding crystallization of bank loan amount at ₹ 30,000 lacs.</p>	<p>On 12.04.2023 STC received a letter dated 12.04.2023 from MOC&I saying that “It is advised that the matter may be discussed in the Board of STC first keeping in view the fact that the proposal for closure of STC under IBC 2016 route is under consideration of Dept of Public Enterprises. After Board Takes a view in the matter, STC can consult DoC, if required.”</p> <p>In this connection STC forwarded the matter to our legal counsel Mr. Uday Gupta in OTS matter for his opinion, Accordingly STC received his opinion on this regards as under:-</p> <p>I have gone through the communication dated 29.11.2022 issued by the STC and the corresponding communication dated 12.04.2023 issued by the Under Secretary to the Government of India.</p> <p>My opinion dated 16.10.2020 along with the further opinion dated 09.05.2022 are already available with STC and no further discussion is required from my side on the issues already deliberated vide the said opinions. I am also conscious of the fact that both STC as well as the lender banks are bound by the course of action enunciated in the Minutes of Meeting dated 29.08.2019 held under the Chairmanship of Hon’ble Minister for Commerce and Industry and Railways which were later clarified on 13.10.2020. Upon the basis of the opinions rendered by the undersigned together with the opinion rendered by Ms. Aishwarya Bhati, Senior Advocate and Ld. Additional Solicitor General of India, it is very clear that “transfer of title” of the “identified properties” of STC cannot take place through the modes prescribed under law i.e. sale; mortgage; lease; exchange; gift; and actionable claim. Under the circumstances, either the option of execution of Power of Attorney in favour of the lender banks or the mechanism of Board Resolution in favour of lender banks is to be adopted by STC with concurrence of the lender banks and the Department of Commerce, Ministry of Commerce and Industry – with the sole objective to meet the terms of the One Time Settlement (OTS) agreed upon via Minutes of the Meeting dated 29.08.2019 read in conjunction with the subsequent clarification dated 13.10.2020.</p> <p>Para 7(i) of the Minutes of the Meeting dated 29.08.2019 upon subsequent clarification read as under :-</p>

S. No.	Observation of the Statutory Auditor	Management Replies
		<p>"7.(i) Since STC has already paid ₹1100 crore to the Banks, it will transfer the title of its immovable properties valued at about ₹300 crore on "as is where is basis" to the Banks and with this, the OTS of STC will be completed."</p> <p>Vide communication dated 12.04.2023, the Under Secretary to the Government of India has advised that the matter may be discussed in the Board of STC first; keeping in view the fact that the proposal for closure of STC under IBC, 2016 route is under consideration of the Department of Public Enterprises.</p> <p>In my opinion, till the objective of the One Time Settlement (OTS) in terms of the Minutes of Meeting dated 29.08.2019 clarified on 13.10.2020 is achieved, IBC route cannot be adopted. This is for the reason that adopting the IBC route would mean that the One Time Settlement (OTS) would be rendered otiose. Therefore, in my opinion the Board of STC should discuss the matter and stand by the decision already taken under the Chairmanship of Hon'ble Minister for Commerce and Industry and Railways which is reflected vide Minutes of Meeting dated 29.08.2019 and clarified subsequently on 13.10.2020 and which in my opinion are absolutely sacrosanct. In addition to this the Board should also resolve that STC is open to adopting any of the options suggested by its lawyers i.e. option of execution of Power of Attorney or the mechanism of Board Resolution so that the objective of the OTS is achieved smoothly; subject of course to the concurrence of the lender banks and the Department of Commerce, Ministry of Commerce and Industry. The Resolution upon being adopted should be sent to the Department of Commerce, Ministry of Commerce and Industry for their concurrence / ratification. Thereafter, further action in terms of the Resolution adopted should be taken by STC with the lender banks. The mode and modalities of the Resolution and its subsequent ratification should be an inter-se communication between STC and the Department of Commerce, Ministry of Commerce and Industry. The lender banks would come into picture only when the Department of Commerce and Industry would lend its concurrence / ratification to the Resolution adopted by the Board of STC. Proceeding filed by Consortium of lender banks is still going on in Debt Recovery Tribunal (DRT). Last date of hearing in DRT was on 19.04.2023 in which no hearing took place. Next date of hearing in DRT is 26.07.2023.</p>

S. No.	Observation of the Statutory Auditor	Management Replies												
		<p>In view of the opinion of legal counsel and In the Board Meeting dated 23.05.2023, It has been decided that the Ministry would like to take the matter through IBC for closure or OTS with the Lender Banks to be completed by STC.</p> <p>Accordingly a letter dated 06.07.2023, forwarded to MOC in this connection.</p>												
4	<p>Foreign Currency Receivables and Payables</p> <p>Currently, as per books of accounts, USD 3,149.35 lacs and Euros 20.90 lacs is receivable from its foreign buyers and USD 1665.41 lacs and Pound 0.04 lacs is payable to its foreign suppliers. In nutshell, there are foreign buyers and creditors standing in the financials of STC which have not been revalued in the FY 22-23, the potential impact of which is huge.</p> <p>Thus, the STC has not complied with Ind AS 21 (regarding Effects of Changes in Foreign Exchange) by not revaluing the carrying amounts, in most cases, of foreign currency receivables and payables which are under litigation/disputed. Therefore, we are unable to ascertain the potential impact on the financial statements , if any.</p>	<p>This observation has been repeated since previous years. The company has complied the requirements of IND AS 21, regarding effects of changes in foreign currency as on balance sheet dated. However, this pertains to cases under litigation and had been fully provided in earlier years and the carrying amounts are under dispute. The company has filed legal cases for such outstanding balances for both receivables and payables.</p>												
5	<p>Deferred tax Assets (Net)</p> <p>Refer Note No. 12 , the Company has MAT credit of ₹ 1367.36 lacs. Reversal of MAT credit was also raised by the CAG auditors for the FY 2020-21. But still the MAT credit has not been reversed and this has resulted into overstatement of profit by 1367.36 lacs and overstatement of Current assets by ₹ 1367.36 lacs. The company is hopeful of profits in future years so reversal of MAT credit is not done.</p>	<p>The credit of MAT can be utilized by the company in the subsequent year(s) as mentioned in the table below. :</p> <table border="1"> <thead> <tr> <th>A.Y. in which MAT credit was created</th> <th>Amount (₹ Lacs)</th> </tr> </thead> <tbody> <tr> <td>2014-15 (Credit available up to Financial Year 31.03.2025)</td> <td>401.08</td> </tr> <tr> <td>2016-17 (Credit available up to Financial Year 31.03.2027)</td> <td>758.82</td> </tr> <tr> <td>2017-18 (Credit available up to Financial Year 31.03.2028)</td> <td>187.91</td> </tr> <tr> <td>2022-23 (Credit available up to Financial Year 31.03.2038)</td> <td>19.55</td> </tr> <tr> <td>Total</td> <td>1,367.36</td> </tr> </tbody> </table> <p>The MAT credit of ₹ 13.67 crore can be adjusted against the tax liability as per normal provisions of the Income Tax Act, 1961 which may arise in coming years on account of increased rental income and pending OTS.</p>	A.Y. in which MAT credit was created	Amount (₹ Lacs)	2014-15 (Credit available up to Financial Year 31.03.2025)	401.08	2016-17 (Credit available up to Financial Year 31.03.2027)	758.82	2017-18 (Credit available up to Financial Year 31.03.2028)	187.91	2022-23 (Credit available up to Financial Year 31.03.2038)	19.55	Total	1,367.36
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S. No.	Observation of the Statutory Auditor	Management Replies
6	<p>Other Current Assets</p> <p>i. Refer Note No. 14 –“Other Current Assets for non-provisioning in respect of Duties and taxes recoverable , CST (coal) amounting to ₹ 6.89 lacs which is non recoverable and still not written off.</p> <p>ii. Refer Note No. 11- Other Financial Assets -Claims Recoverable for non-provisioning in respect of Claims Recoverable o/s since last many financial years amounting to 1951.35 lacs where no present status could be ascertained by the management of the STC and still not written off.</p> <p>This is non-compliance of IND AS -36 as no provision has been made for impaired assets.</p> <p>All these current assets are being reflected at their carrying amounts instead of on realization values.</p> <p>This has resulted into overstatement of Current assets by ₹ 1951.35 lacs and overstatement of profit by ₹ 1951.35 lacs.</p>	<p>The matter pertains to AY 2014-15. The order for refund has been issued, and the same is being followed up by R.O.</p> <p>Out of the claims recoverable of ₹ 1951.35 lacs, major components are ₹ 810.63 lacs pertains to CCIC (co-owner) and ₹ 799.78 lacs pertains to HHEC (co-owner) for which regular follow up is being done by concerned division on a regular basis. Provision of ₹ 33.04 lacs & ₹ 476.47 lacs has been earlier provided for CCIC & HHEC respectively.</p> <p>When contacted, CCIC has informed that they are reconciling their accounts and STC will be informed accordingly. However, STC has vide letter dated 25.07.2023 again requested CCIC & HHEC to pay the outstanding dues failing which STC will take legal recourse.</p> <p>₹ 116.44 lacs pertains to SBI-IFB, Overseas, CAG & GF, said amount was attached by honorable court in the matter of STCL, of which ₹ 24.17 lacs have been provided for against SBI GF.</p> <p>₹ 94.56 lacs pertains to TRAI which is fully provided for.</p> <p>₹ 87.14 lacs pertains to BIFR and against this provision of ₹ 31.80 lacs has already been provided.</p>
7	<p>Provisions</p> <p>Refer Note No. 38, for non-provision of a demand of ₹ 4,743 lacs out of total demand received from Land and Development Office - New Delhi amounting to ₹ 13,283 lacs (for the period March,2004 to July, 2018) which has resulted in understatement of profit by Rs 4,743 lacs and understatement of liabilities. However, it has been shown as contingent liability. Also, STC has not provided for interest accruing on the said demand amount (to be calculated at the rate of 10%) approx. The matter is under correspondence with L&DO office and no provision is made for the year 2022-23 in the accounts.</p>	<p>Demand of ₹ 132.83 Crore was raised by L&DO vide its letter no. L&DDO/LS2A/9225/133 dated 26th March 2018 from 2004-05 onwards for non-compliance of various conditions of the Lease Deed (including non-deposits of 25% of the gross rent received by STC from its tenants). However, the company has disputed the demand and the matter is yet to be resolved. On the observation of CAG audit, the firm liability of ₹ 8,540 lacs has been booked. With a view to obtain updated demand as on date STC approached L&DO on 18.05.2022 wherein it was informed by L&DO that the assessment with regard to raising such demand, they have their own parameters. Further, vide letters dtd 27.12.2022 & 11.05.2023, STC requested L&DO to provide the updated liability towards JVB. In addition Deptt. of Commerce vide its letter dtd 13.07.2022 has also taken up the issue with L&DO. The reply from L&DO in this regard is yet to be received. STC is continuously following up with L&DO for JVB and DDA for housing colony. Necessary provisioning shall be made in case any further demand arises.</p>

S. No.	Observation of the Statutory Auditor	Management Replies
8	<p>Trade Payables</p> <p>Trade payables includes a sum of ₹ 1,11,819.72 and are without any balance confirmation and are outstanding for more than 3 financial years.</p> <p>No amount is payable to these parties as these are suppliers who have entered into legal agreement with STC wherein no amount is payable to them until and unless the amount is recovered from the foreign buyer. Thus, the management has not accorded any treatment to these trade payables and to that extent, liabilities are overstated.</p>	<p>This observation has been repeated since previous years. Balances of trade receivables, trade payables and liabilities are being reconciled after completion of each transaction and the accounts are settled with the party. However, confirmation in respect of trade receivables and trade payables under litigation is not available at this stage, as it may be used against STC by the other party.</p>
9	<p>Statutory Dues</p> <p>GST</p> <p>The GST input receivable and payable balances are not reconciled by the Company as on March 31, 2023. GST input Rs 78.81 lacs - seems non claimable but no provision has been made. Profit of the company is overstated by the same amount.</p>	<p>Reconciliation of GST Input and Output balances for F.Y. 2021-22 has been completed. Reconciliation pertaining to prior years is under process and will be carried out in the current year i.e. FY 2023-24.</p>
	<p>Tax Deducted at Source</p> <p>TDS deducted will be reconciled with form 26AS at the time of submitting Income Tax return, as on the date of report the complete information is not available.</p> <p>No provision has been made for TDS default of Rs 8.89 lacs pending, submission of correction statements.</p>	<p>The TDS defaults are being taken up by the tax consultant for revising respective returns.</p>
10	<p>Unaudited Accounts of the Subsidiary</p> <p>We did not audit the financial statements of subsidiary namely STCL Limited included in the financials of the Company where financial statements reflect total assets of 887.61 lacs as at March 31, 2023, total revenue of 19.47 lacs and net cash inflows amounting to -118.90 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by another auditor whose Signed Auditor's Reports have not been furnished to us by the Management. There are no full time Directors in the said Subsidiary and for this reason Audited Financial Statements cannot be adopted and signed.</p> <p>Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiary and our report in terms of subsection (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is qualified.</p> <p>Refer Note No. 24, customer at credit includes amount payable to U.P. Government amounting to Rs 603 lacs. As informed by the management, Branch has made various other claims on U.P. Government and accordingly dues of ₹ 3911 lacs is recoverable from U.P. Government for which debit note dated March 10, 2014 was raised. However, the said claim was not recognized in the standalone financial statements of the branch till date, as its ultimate collection was not certain. In absence of information on acceptability of the said claim by the UP Government, we are unable to ascertain its possible impact, if any, on the standalone financial statements of the Company.</p>	<p>Chairman of STCL Limited was appointed on 30.05.2023 thereby the requisite quorum of minimum three Directors for the constitution of Board of STCL Limited was complied /met.</p> <p>STCL Limited held its 177th and 178th Board Meetings on 26.06.2023 and during these meetings, STCL Limited Board approved the Annual Accounts for the year 2021-22, Quarterly Accounts for the periods ending 30.06.2022, 30.09.2022 & 31.12.2022 and Annual Accounts for the year 2022-23 respectively.</p> <p>The Annual Accounts for the years 2021-22 & 2022-23 have been sent to Directors of STCL Limited for their signatures and thereafter Statutory Auditor shall sign of these Accounts along with their reports.</p> <p>This observation has been repeated since previous years. An amount of ₹ 603 lacs payable to U.P. Government is adjustable against outstanding claims from UPGEWC on account of (i) differential of import price and amount realized on risk sale of 9555.285 MTs Lemon Tur and (ii) interest and carrying charges, amounting to ₹ 3,911 lacs which is under dispute and shown as contingent assets.</p>

S. No.	Observation of the Statutory Auditor	Management Replies														
	It seems that the financial statements have not been prepared on realization basis as mentioned in the accounting policies. All non-current assets held for Sale and other current assets have been stated at their carrying amounts as appearing in the books of accounts without making any exercise by the management to determine the realizable value of each current asset.	Further, STC has been continuously following up the recovery matter with Government of Uttar Pradesh and has now filed its petition on 28.01.2022 for resolution of its dispute through AMRCD mechanism. The matter came up for hearing on 12.04.2023. The next date of hearing is awaited.														
	The impact of the following observations is not ascertainable															
	i) Refer to Cases and Disputes and matters under Litigation and amounts covered under Contingent Assets and Contingent Liabilities, since majority of the matters are subjudice, it is not possible to quantify the liabilities and the interest obligation if any on these cases.	The same shall be reviewed in the F.Y. 2023-24.														
	ii) Refer to Claims recoverable from HHEC, co-owner to the property at Jawahar Vyapar Bhawan, who have not paid their share of expenses to STC since last many years amounting to ₹ 970.92 lacs as on March 31, 2023. The matter is said to be under correspondence with HHEC.	The issue is being followed up regularly with HHEC. The matter has also been taken up through Ministry of Textiles.														
	Emphasis of Matters															
	a. Refer Note No. 38(ii), Contingent Liabilities which includes an amount of ₹ 1.33 Crores in respect of pending sales tax liability. The Group has not complied in carrying out corrective actions as suggested by Government Audit Party (GAP) for F.Y. 2014-15 in the accounts as on 31 st March, 2016 and for F.Y. 2015-16 in the accounts as on 31 st March, 2017 amounting to ₹ 0.19 Crores and ₹ 1.11 Crores respectively.	<p>This observation has been repeated since previous years. The GAP half-margin pertaining to Mumbai R.O. on the said matter was regarding not writing back of the credit balance of many parties including the five parties totaling to the amount of ₹ 1.30 crore. But since the sales tax cases against those five parties are still going on, the credit balance of ₹ 1.30 crore has to be kept in books against any future liability and hence has not been written back.</p> <p>Further, as informed by Mumbai R.O., there is no change in the status of the cases.</p> <table border="1"> <thead> <tr> <th>Name of Party</th> <th>Amount ₹ (crore)</th> </tr> </thead> <tbody> <tr> <td>Space Vision Impex</td> <td>0.19</td> </tr> <tr> <td>Pranav Agro Industries Ltd.</td> <td>0.25</td> </tr> <tr> <td>Ganesh Benzoplast Ltd.</td> <td>0.20</td> </tr> <tr> <td>Thakkarsons Auto Ancillary(i) Pvt. Ltd.</td> <td>0.09</td> </tr> <tr> <td>Dunlop India Pvt. Ltd.</td> <td>0.57</td> </tr> <tr> <td>Total</td> <td>1.30</td> </tr> </tbody> </table>	Name of Party	Amount ₹ (crore)	Space Vision Impex	0.19	Pranav Agro Industries Ltd.	0.25	Ganesh Benzoplast Ltd.	0.20	Thakkarsons Auto Ancillary(i) Pvt. Ltd.	0.09	Dunlop India Pvt. Ltd.	0.57	Total	1.30
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Dunlop India Pvt. Ltd.	0.57															
Total	1.30															
	b. Refers to Note No.38, in respect of litigation matters, their present status and provisioning, if any, required and on-going investigations into the alleged irregularities; further, the STC's past operations have exposed it to the risk of extensive litigation and contractual claims from third parties with increased litigation costs not fully provided for. Due to the range of potential outcomes, voluntary retirement of employees dealing with these cases and the significant uncertainty around the resolution of various claims, the amount of ultimate liabilities, if any, to be recorded in the statements as provision is not ascertainable.	<p>The cases under litigation /investigation etc. are being appropriately disclosed under contingent liability. Each case is being assessed at the end of the reporting period on the basis of its merit. The suitable treatment in books of accounts will be made based on the outcome of the ongoing litigation.</p> <p>In case of any material changes arising in the factual position, the same shall be reviewed appropriately.</p>														

S. No.	Observation of the Statutory Auditor	Management Replies
	Annexure 'A' to Independent Auditor's Report	
i.	STC 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 used by Group.	This observation has been repeated since previous years. The interlinking of different software currently maintained by the holding company can only be possible in case of ERP implementation. Due precarious financial condition and also due to non-going concern status of the holding company, such implementation is a distant possibility. However, manual intervention with regard to accounting entries in Tally software is restricted by the internal checks available in the software itself.
ii.	Lack of effective scrutiny of accounting ledgers as far as o/s liabilities/Claims recoverable/Security Deposits is seen as they are not updated.	This observation has been repeated since previous years. Periodic physical verification reports in respect of pledged inventory is 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.
iii.	Manner of maintenance of Fixed Assets Schedule & register need to be strengthened.	The company is in the process of strengthening the same.
iv.	Lack of proper contract management is noticed. Irrespective of completion of contracts the EMD/Security deposits are still being withheld in the books by the Group.	There is proper Contract Management and after completion of each contract the EMD/security deposits are settled as per the contractual terms. As regards the security deposits and EMD's in hand the contracts which could not be undertaken, the Company is in process of refund the same consequent upon decision taken for STC being a non- operative company from the F.Y.2021-22.
v.	Lack of control over the renewal of Rent/lease Agreements on timely basis. There are numerous of agreements which have not been renewed over a long period.	All of the rent/lease agreements except IRCTC, SBI and ONGC (for Kakinada warehouse complex) have been renewed with the tenants. The renewal of agreement with IRCTC is being pursued on regular basis. The renewal of agreement with ONGC for earlier period in respect of Kakinada warehouse is under process. Renewal of agreement with SBI is due w.e.f. 01.01.2023. Finalization of rate of aren't is under process through designated negotiation committee.

S. No.	Observation of the Statutory Auditor	Management Replies
vi.	Ineffective implementation of accounting policy in balance confirmation of trade receivable & vendor balance, is noticed. The balances outstanding in the trade receivable account cannot be reconciled in customers' books as balance confirmations are not available for these customers.	<p>This observation has been repeated since previous years. Balances of trade receivables, trade payables and liabilities are being reconciled after completion of each transaction and the accounts are settled with the party.</p> <p>Further, confirmation in respect of trade receivables and trade payables under litigation is not available at this stage, as it may be used against STC by the other party.</p>
vii.	As there are no proper Full Time working Directors in the Group, and there is also lack of Senior management personnel in the Group, all decisions and matters requiring immediate attention are kept on hold and there is ineffective management control in the Group.	<p>Two full time working Directors were available for majority part of the FY 2021-22 in both the Company i.e. STC and its Subsidiary STCL Limited. It is to mention that Director (P), STC who was holding additional charge of CMD, STC and Chairman, STCL Limited superannuated on 31.01.2022 and Director (Marketing), STC who was holding additional charge of MD, STCL Limited superannuated on 30.04.2022. Presently, there is one Functional Director in STC i.e. Director (Fin.) (additional charge). Further, two (2) Government Nominee Directors and eight (8) Independent Directors are also on the Board of STC. As such, present strength of the Board of STC is more than the minimum number of directors (i.e. 4) for holding of any Board meeting. However, the Board of STCL Limited is incomplete since the superannuation of Director (P) and Director (Mktg.), STC.</p> <p>Since the appointments of CMD/MD and other Functional Directors are made with the approval of Appointments Committee of the Cabinet (ACC), therefore the matter of filling-up of vacant Board level posts in STC and STCL Limited has regularly been taken up with the Administrative Ministry, through various communications sent by STC to the Ministry from time to time. The matter has also been raised in the meetings held with the officials of Ministry in the recent past.</p> <p>The post of CMD, STC has recently been filled-up on additional charge basis. Further, the Board of STCL Limited has also been completed with the appointment of Chairman and MD in STCL Limited and their accounts for the year 2021-22 and 2022-23 have recently been approved by STCL's Board.</p>

कार्यालय प्रधान निदेशक लेखापरीक्षा,
उद्योग एवं कॉर्पोरेट कार्य
ए.जी.सी.आर. भवन, आई.पी. एस्टेट,
नई दिल्ली-110 002



सत्यमेव जयते

OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT,
INDUSTRY AND CORPORATE AFFAIRS
A.G.C.R. BUILDING, I.P. ESTATE,
NEW DELHI-110 002

संख्या: एएमजी-1/15(6)/एसटीसी/
CFS (2022-23)/2023-24/170
दिनांक: 26 JUL 2023

सेवा में

अध्यक्ष एवं प्रबन्ध निदेशक,
दि स्टेट ट्रेडिंग कॉर्पोरेशन ऑफ इंडिया लिमिटेड,
जवाहर व्यापार भवन, तोल्स्टोय मार्ग,
नई दिल्ली-110 001

विषय: कंपनी अधिनियम 2013 की धारा 143(6) (b) के साथ धारा 129(4) के अंतर्गत 31 मार्च 2023 को समाप्त वर्ष के लिए दि स्टेट ट्रेडिंग कॉर्पोरेशन ऑफ इंडिया लिमिटेड के समेकित वार्षिक लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

कंपनी अधिनियम 2013 की धारा 143(6) (b) के साथ धारा 129(4) के अंतर्गत 31 मार्च 2023 को समाप्त वर्ष के लिए दि स्टेट ट्रेडिंग कॉर्पोरेशन ऑफ इंडिया लिमिटेड के समेकित वार्षिक लेखों पर उपरोक्त विषय संबंधित संलग्न पत्र अग्रेषित है।

भवदीया,

एस. ए. पंडा

(एस. आह्लादिनी पंडा)

प्रधान निदेशक लेखा परीक्षा

(उद्योग एवं कारपोरेट कार्य)

नई दिल्ली

संलग्नक:- यथोपरि

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 2023

The preparation of financial statements of The State Trading Corporation of India Limited for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 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 23 May 2023.

I, on behalf of the Comptroller and Auditor General of India have decided not to conduct the supplementary audit of the consolidated financial statements of The State Trading Corporation of India Limited for the year ended 31 March 2023 under section 143(6)(a) read with section 129(4) of the Act.

**For and on the behalf of the
Comptroller & Auditor General of India**


(S. Ahladihi Panda)
Principal Director of Audit
(Industry & Corporate Affairs)
New Delhi

Place: New Delhi

Date:

28 JUL 2023

DIVIDEND DISTRIBUTION POLICY

A. Background

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top thousand listed entities based on market capitalization (calculated as on 31st March of every financial year) to formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites, the Dividend Distribution Policy of STC has been formulated.

Dividend is declared at the Annual General Meeting of the shareholders based on the recommendation by the Board. Board may recommend dividend / interim dividend, at its discretion, to be paid to shareholders.

B. Policy Framework

The policy has been framed broadly in line with the provisions of the Companies Act and also taking into consideration, guidelines on "Capital Restructuring of Central Public Sector Enterprises" issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Department of Public Enterprises, SEBI and other guidelines, to the extent applicable.

C. Objective and Scope of the Policy

The decision regarding dividend pay-out is a crucial decision as it balances the amount of profit to be distributed amongst shareholders with the requirement of deployment of internal accruals for sustenance and growth plans of the Company.

Therefore, the objective of this Policy is to establish the parameters to be considered by the Board of Directors of the Company before declaring or recommending dividend / interim dividend.

The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth of the Company. The Company would endeavour to pay sustainable dividend keeping in view the Company's policy of meeting the long-term growth objectives from internal cash accruals.

D. Circumstances under which the shareholders of the Company may or may not expect dividend

Generally, the Board will consider parameters such as, but not limited to, future capital expenditure plans, profits earned during the financial year, cost of raising funds from alternate sources, cash flow position and applicable taxes including tax on dividend, guidelines issued by the Government before making any recommendations for the dividend.

E. Financial Parameters that shall be considered while declaring dividend

STC, a CPSE, endeavours to declare dividend as per the guidelines on "Capital Restructuring of Central Public Sector Enterprises" issued by DIPAM, Govt. of India on 27.05.2016, which mandating every CPSE to pay a minimum annual dividend of 30% of PAT or 5% of the net-worth, whichever is higher subject to the maximum dividend permissible under the extant legal provisions.

However, the Company is expected to pay the maximum dividend permissible under the Act under which it has been set up, unless lower dividend proposed to be paid is justified on a case to case basis at the level of Ministry of Commerce & Industry after considering the following financial parameters:

- (i) Net-worth and Capacity to borrow;
- (ii) Long-term borrowings;
- (iii) CAPEX/Business Expansion needs;
- (iv) Retention of profit for further leveraging in line with the CAPEX needs; and
- (v) Cash and bank balance

F. Internal and External factors to be considered for declaration of Dividend:

In addition to the aforesaid parameters such as profits and proposed capital expenditures, the decision of dividend pay-out or retention of profits shall also be based on the following internal and external factors/ parameters:

Internal Factors

The Company shall consider various internal factors such as, but not limited to, networth, present & future capital requirements of the existing businesses, additional investments in subsidiaries/associates of the Company and any other factor as deemed fit by the Board.

As per the extant guidelines issued by DIPAM, Govt. of India, every CPSE would pay a minimum annual dividend of 30% of PAT or 5% of the net-worth, whichever is higher subject to the maximum dividend permissible under the extant legal provisions. Being a Government Company, STC is required to comply with these guidelines.

External Factors

The Company shall consider various external factors such as, but not limited to, Economic Environment and Statutory Provisions and Guidelines for declaration of Dividend.

The Company, in case of uncertain or recessionary economic and business conditions, the Company will endeavour to retain larger part of profits to build up reserves to sustain future up downs.

The Company will adhere to the restraints imposed by Companies Act with regard to declaration of dividend. Further, being a Government Company, the Company shall also consider the guidelines in force in respect of dividend declaration as issued from time to time by the Govt. of India or by any other statutory bodies.

G. Utilization of Retained Earnings

The retained earnings shall be utilised primarily for the growth prospect of the company for the maximisation of the shareholder's fund. The company shall take following factors into consideration for the utilisation of the retained earnings:

- (i) Short term and long term plans of the Company.
- (ii) Diversification opportunities.
- (iii) Government guidelines with regard to issue of bonus, buyback etc.
- (iv) Any other criteria which the Board of Directors may consider appropriate.

H. Parameters to be adopted with regard to various classes of shares:

The holders of the equity shares of the Company, as on the record date, are entitled to receive dividends. Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. The policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

I. Other provisions

In case of any subsequent changes in any Statutory Act, Rules, Regulations etc. which makes any of the provisions in this policy inconsistent with them, then the provisions of the Statutory Act, Rules, Regulations etc. would prevail over the policy.

CMD/Functional Director is authorized to approve any minor modifications/ deviations to the policy and will be the competent authority for any interpretation with regard to this Policy.

BRANCH OFFICE

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THE STATE TRADING CORPORATION OF INDIA LIMITED

(A Government of India Enterprise)

(CIN:L74899DL1956GOI1002674)

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