



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

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

प्रभाग
DIVISION

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

February 07, 2025

Manager - Listing Compliance Department National Stock Exchange of India Limited Exchange Plaza, Bandra - Kurla Complex, Bandra (East), Mumbai - 400051 Scrip Code : STCINDIA - EQ	Manager - Listing Compliance Department BSE Limited 1 st Floor, P.J. Towers, Dalal Street Mumbai - 400001 Scrip Code : 512531
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Sub: Unaudited Financial Results (Limited Reviewed) for the quarter & nine months ended on December 31, 2024

Dear Sir/Madam,

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that the Board of Directors of the Company, in its meeting held today i.e. February 07, 2025, had considered and approved the Statement of Unaudited Financial Results for the quarter & nine months ended on December 31, 2024.

Statement of Unaudited Financial Results along with Limited Review Report of the Statutory Auditors for the quarter & nine months ended on December 31, 2024 and Press Release are enclosed herewith.

The Board meeting commenced at 03:00 P.M. and concluded at 4.30 P.M.

Please take note of the above information.

Thanking you,

Yours sincerely,

For The State Trading Corporation of India Limited

(Vipin Tripathi)

Company Secretary & Compliance Officer



PVAR & ASSOCIATES
CHARTERED ACCOUNTANTS

WZ-248, Plot No-7, Inderpuri,
New Delhi-110012
Ph: : 8368142183, 0120-4374021
E-Mail : pvarassociates@gmail.com
: pvardelhi@gmail.com
Website: www.pvarassociates.com

Independent Auditor's Limited Review Report on Unaudited (Reviewed) Quarterly & Nine Month Ended 31.12.2024 on the Standalone Financial Results of The State Trading Corporation of India Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Reporting Requirements) Regulations, 2015, As Amended

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

- 1 We have reviewed the accompanying statement of Standalone Unaudited (Reviewed) financial results of **The State Trading Corporation of India Limited** for the quarter & Nine Month ended 31st December 2024.
- 2 This statement is the responsibility of the Company's Management and has been approved by the Board of Directors/ Committee of Board of Directors and has been prepared in accordance with recognized and measurement principles laid down in Indian Accounting Standard 34 prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies. Our responsibility is to express an opinion on the Statement based on our review.
- 3 We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit.
- 4 Refer to Note No. 1 in Statement of Unaudited (Reviewed) Financial Results for the Quarter & Nine Months ended December 31st 2024 that these financial results have been prepared in accordance with accounting policy on a non-going concern basis.
- 5 **Basis for Qualified Opinion**
 - a) **Non provision in respect of the items / matters as indicated below, total amount not ascertainable for the quarter ended 31.12.2024**
 1. *Refer Note No. 9 of Unaudited (Reviewed) financial statements for Quarter ending Dec '24, 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 Rs. 11.67 lacs. It will also have consequential impact on the Statement of Audited Reviewed financial results resulting into **overstatement of profit by Rs. 11.67 lacs.***



Further "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 Rs. 9.20 lac per month as per clause no. 24 of the lease agreement dated 30.07.1984 along with applicable GST".

a. Provision for rent of Rs 9.20 Lakh per month. It is not provided for in Accounts. Amount is unascertained by Management.

b. How much amount is receivable on account of assets handed over to MBPT is not ascertained by Management.

c. Management has explained that "appropriate treatment will be effected upon reconciliation". Reconciliation details and difference of amount & its financial impact is not ascertained by management.

2. Refer Note No. 10 of Unaudited (Reviewed) financial statements for Quarter ending Dec '24, 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. Value of consideration received and/or Receivable from NDMC and DMRC is not ascertained by Management. Carrying value of Leasehold Land at Jawahar Vyapar Bhavan is not adjusted for the Land acquired by L&DO for handover to NDMC (1982) & DMRC (2011).

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.

3. All trade receivables amounting to Rs.1,69,679.29 lacs (relates to STC only) as per Note No. 4 of last Audited financial statements have been outstanding for more than 3 years. The Company has made provision for bad and doubtful debts amounting to Rs. 62,727.62 lacs and another sum of Rs. 106,951.67 lacs have been shown as "Having Significant increase in credit risk" since the same is under litigation. As confirmed by management, 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 significant recovery during the Quarter ended 31.12.2024 and there is no major update of legal cases which are pending at various forums. Thus trade receivable do not seem 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 31.12.2024 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 1,69,679.29 lacs are considered doubtful of recovery resulting into short provision for doubtful debts amounting to Rs. 1,06,951.67 lacs. Thus the provision for bad and doubtful debts has been understated by Rs. 1,06,951.67 lacs and consequential impact on the statement of Unaudited Reviewed financial results resulting into overstatement of profit by Rs. 1,06,951.67 lacs.

Further in case of M/s Rajat Pharmaceuticals Ltd (RPL), 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 Rs.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/High Court Mumbai making STC also a party to the case claiming Rs. 476.47 Crore. These are reported by Management in Note 39 to last Audited Financial Statements as on 31.03.2024. 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 Unaudited Reviewed financial results.

4. Refer to Note No. 3 of last Audited financial statements, the view of the default by the company in paying dues and 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.

Borrowings have been reflected at Rs.80623.24 lacs. Further, STC is pursuing alternative course of settlement with lender banks instead of transfer of immovable properties, a formal proposal of Rs.20000.00 lacs cash in place of properties submitted to the lender banks for which STC already received sanction letters from Lender Banks. The same has been updated in DRT proceeding & the NDOH is 05.03.2024. These updations of OTS & DRT has been informed to MOC&I. The amount of liability is subject to final settlement / court order/Approval from Board of Director of the company.

NFRA circular dated 28.11.2022, states that interest has to be recognized on its borrowings even if classified as NPA by lender banks and OTS is being negotiated with them. STC is expecting the OTS will be concluded before 31.03.2025. Hence, the appropriate treatment in books shall be done at the time of annual closing. Impact of OTS proceedings and interest liability on borrowing is not quantified.

5. Other Financial Assets -Claims Recoverable: For non-provisioning in respect of Claims Recoverable o/s since last many financial years amounting to Rs.3148.42 lacs where no present status could be ascertained by the management of the Company and still not written off. These are reported by Management in Note No.11 to Audited Financial Statements as on 31.03.2024. Claim recoverable as on 31.12.2024 is Rs.3157.44 lacs.

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 Rs. 3157.44 lacs and overstatement of profit by Rs. 3157.44 lacs.

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

6. Refer Note No. 5 of Unaudited (Reviewed) financial statements for Quarter ending Dec '24, There is non-provision of a demand of Rs. 4,743 lacs out of total demand received from Land and Development Office - New Delhi amounting to Rs. 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. Also, company has not provided for interest accruing on the said demand amount. Profits are overstated and liabilities are understated by the amount yet to be ascertained by Management.



Director General of Audit has intimated short provision of Rs.75.92 cr towards interest (calculated @10% p.a.on Rs.132.83 cr from 14th July 2018 upto 31st March 2024) which will further cumulate till final payment to L&DO. Profits are overstated and liabilities are understated by the amount yet to be ascertained by Management.

Further, Company has not ascertained liability/ provisional liability for Non compliance of the various conditions of the Lease deed (including non-deposit of 25% of the gross rent received by STC from its tenants) payable to L&DO for the period August 2018 to December 2024, and the interest thereon. Amount is unascertained by the management. Profits are overstated and liabilities are understated by the amount yet to be ascertained by Management.

7. **Statutory Dues** - The GST input receivable as per GSTN and payable balances are not reconciled by the Company as on Dec 31st 2024. GST input Rs.53.84 lacs – is non claimable but no provision has been made. Profit of the company is overstated by the same amount.

8. **Non -Current Assets held for Sale**

i. Refer to Note No.4(a) of last Audited Financial Statements, Title deeds in the name of the company in respect of following properties are not available/ not executed. Status is unchanged.

a) **Leasehold Building**

- i. Leasehold land at Jawahar Vyapar Bhawan valued at Rs. 55,929 lacs
- ii. Leasehold land at Housing Colony at Aurobindo Marg valued at Rs. 12,394 lacs

b) **Freehold Building**

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

b) **Other Observations: The impact of the following observations is not ascertainable: -**

- i. There are various Cases and Disputes and matters under Litigation and amounts covered under Contingent Assets and Contingent Liabilities. These are reported by Management in Note No.38 to Audited Financial Statements as on 31.03.2024. Status is unchanged. 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. Claims recoverable from HHEC & CCIC 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 Rs.1156.26 lacs & Rs.2016.06 lacs respectively as on Dec 31st, 2024. The matter is said to be under correspondence with HHEC & CCIC.
- iii. Due to 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.

Qualified Opinion

Based on our review conducted as above, except for the facts or possible effects of our observation stated in Para 5 above, nothing has come to our attention that causes us to believe that the accompanying statement has not been prepared in all material aspects in accordance with the applicable Indian Accounting standards prescribed u/s 133 of Companies Act,2013 read with relevant rules issued there under and other recognized accounting practices and policies generally accepted in India has not disclosed information required to be disclosed in terms of regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations,2015 including the manner in which is to be disclosed, or that it contains any material misstatement.

**FOR and on behalf of P V A R Associates
CHARTERED ACCOUNTANTS
Firm Registration No. 005223C**



A handwritten signature in blue ink, appearing to read "Ruchi", with a long horizontal stroke extending to the right.

**CA. Ruchi Agarwal
(M.NO. 504134)
New Delhi
Date: 07.02.2025
UDIN : 25504134BMGZEJ2876**

