



प्रभाग
DIVISION



दि स्टेट ट्रेडिंग कॉर्पोरेशन ऑफ इंडिया लिमिटेड
(भारत सरकार का उद्यम)
THE STATE TRADING CORPORATION OF INDIA LTD.
(A Govt. of India Enterprise)

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

November 13, 2018

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 and half year ended September 30, 2018

Dear Sir/Madam,

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that the Board of Directors of the Company had at its meeting held today i.e. November 13, 2018 considered and approved the Statement of Unaudited Financial Results (Standalone) for the quarter and half year ended September 30, 2018.

Statement of Unaudited Financial Results (Standalone) along with Limited Review Report of the Statutory Auditors for the quarter and half year ended September 30, 2018 and Press Release are enclosed herewith.

The Board meeting commenced at 03:00 P.M. and concluded at 04:55 P.M.

Please take note of above information on record.

Thanking you,

Yours sincerely,
For State Trading Corporation of India Limited

(Pankaj Kumar)

Company Secretary & Compliance Officer

THE STATE TRADING CORPORATION OF INDIA LTD.
Statement of Standalone Financial Results for the Quarter and Six Months ended Sept 30, 2018
CIN: L74899DL1956GOI002674

(Rs. crore)

STANDALONE

Particulars	Quarter ended 30.09.2018	Quarter ended 30.06.2018	Quarter ended 30.09.2017	Half Year Ended 30.09.2018	Half Year Ended 30.09.2017	Year Ended 31.03.2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Income						
Revenue from Operations	2,836.65	3,733.85	1,751.37	6,570.50	6,550.31	10,865.71
Other Income	82.52	81.76	75.10	164.28	152.91	303.43
Total Income	2,919.17	3,815.61	1,826.47	6,734.78	6,703.22	11,169.14
Expenses						
Cost of materials consumed	-	-	-	-	-	0.01
Purchases of Stock in trade	2,831.73	3,729.37	1,722.24	6,561.10	6,510.97	10,797.50
Change in Inventory	0.01	0.01	26.98	0.02	26.81	39.44
Employees' Benefit Expenses	41.79	21.32	24.78	63.11	50.25	106.90
Finance Cost	46.36	51.58	41.95	97.94	84.09	178.68
Depreciation & Amortization Expenses	3.96	3.94	4.53	7.90	8.46	16.02
Other Expenses	8.14	7.24	7.02	15.38	13.64	27.57
Total expenses	2,931.99	3,813.46	1,827.50	6,745.45	6,694.22	11,166.12
Profit before exceptional items and tax	(12.82)	2.15	(1.03)	(10.67)	9.00	3.02
Exceptional Items - Expense / (Income)	0.06	0.24	(10.54)	0.30	(14.36)	(29.23)
Profit Before Tax	(12.88)	1.91	9.51	(10.97)	23.36	32.25
Tax expense						
(i) Current tax	0.45	0.45	1.75	0.90	2.97	(5.27)
(ii) Deferred tax	-	-	-	-	-	-
Profit for the period from continuing operations (A)	(13.33)	1.46	7.76	(11.87)	20.39	37.52
Profit/(loss) from discontinued operations	-	-	-	-	-	-
Tax expense of discontinued operations	-	-	-	-	-	-
Profit from discontinued operations after tax (B)	-	-	-	-	-	-
I Profit for the period (A+B)	(13.33)	1.46	7.76	(11.87)	20.39	37.52
II Other Comprehensive Income						
Items that will not be reclassified to profit or loss						
- Remeasurements of the defined benefit plans	-	-	-	-	0.09	4.82
Less: Income Tax on Above	-	-	-	-	0.03	1.67
Items that will be reclassified to profit or loss	-	-	-	-	-	-
Total of Other Comprehensive Income	-	-	-	-	0.06	3.15
Total Comprehensive Income for the period	(13.33)	1.46	7.76	(11.87)	20.45	40.67
Paid up equity share capital (Face value of Rs. 10/- each)	60.00	60.00	60.00	60.00	60.00	60.00
Other Equity excluding Revaluation Reserves				(25.65)	(34.00)	(13.79)
Earnings per equity share : (Not Annualized)						
(1) Basic (in Rupees)	(2.22)	0.24	1.29	(1.98)	3.40	6.25
(2) Diluted (in Rupees)	(2.22)	0.24	1.29	(1.98)	3.40	6.25

Segment-wise Revenue, Results, Assets & Liabilities

(Rs. crore)

1. Segment revenue						
a) Export	3.44	0.52	1.86	3.96	129.67	279.19
b) Import	2,801.64	3,490.65	1,722.37	6,292.29	6,254.59	10,240.04
c) Domestic	31.57	242.68	27.14	274.25	166.05	346.48
Total	2,836.65	3,733.85	1,751.37	6,570.50	6,550.31	10,865.71
Less -Inter-segment revenue	-	-	-	-	-	-
Revenue from operations	2,836.65	3,733.85	1,751.37	6,570.50	6,550.31	10,865.71
2. Segment results - Profit /(Loss) before tax and Interest from each segment						
a) Export	3.19	0.32	(0.03)	3.51	6.61	18.23
b) Import	(0.57)	(0.28)	1.25	(0.85)	3.36	4.82
c) Domestic	1.71	4.08	0.19	5.79	1.08	3.01
Total	4.33	4.12	1.41	8.45	11.05	26.06



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Particulars	Quarter ended 30.09.2018	Quarter ended 30.06.2018	Quarter ended 30.09.2017	Half Year Ended 30.09.2018	Half Year Ended 30.09.2017	Year Ended 31.03.2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Less:(I) Finance cost	46.36	51.58	41.95	97.94	84.09	178.68
(II) Other unallocable expenditure net off						
Unallocable income	(29.15)	(49.37)	(50.05)	(78.52)	(96.40)	(184.87)
Profit before Tax	(12.88)	1.91	9.51	(10.97)	23.36	32.25
3. Segment Assets						
a) Export	3,222.78	3,192.88	3,061.98	3,222.78	3,061.98	3,156.88
b) Import	122.40	102.20	115.42	122.40	115.42	85.25
c) Domestic	64.45	80.23	35.63	64.45	35.63	52.69
d) Unallocated	1,126.92	1,136.12	1,068.99	1,126.92	1,068.99	1,143.38
Total	4,536.55	4,511.43	4,282.02	4,536.55	4,282.02	4,438.20
4. Segment Liabilities						
a) Export	1,387.79	1,329.28	1,344.05	1,387.79	1,344.05	1,327.65
b) Import	274.91	256.98	267.62	274.91	267.62	255.28
c) Domestic	68.62	88.23	29.52	68.62	29.52	62.47
d) Unallocated	1,886.28	1,904.68	1,729.10	1,886.28	1,729.10	1,861.99
Total	3,617.60	3,579.17	3,370.29	3,617.60	3,370.29	3,507.39



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THE STATE TRADING CORPORATION OF INDIA LTD
Balance Sheet as at September 30, 2018

(Rs in crore)

Particulars	As at Sept. 30, 2018	As at March 31, 2018
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	596.42	601.89
(b) Capital work-in-progress	2.15	2.10
(c) Investment property	310.09	312.50
(d) Other intangible assets	0.07	0.10
(e) Financial Assets :		
(i) Investments	0.01	0.01
(ii) Trade receivables	964.53	964.55
(iv) Loans	8.52	9.76
(v) Other Financial Assets	53.47	53.03
(f) Deferred tax assets (net)	73.67	73.67
(g) Tax Assets (Net)	-	-
(h) Other non-current assets	7.86	9.33
Sub total	2,016.79	2,026.94
Current Assets		
(a) Inventories	0.18	0.25
(b) Financial Assets :		
(i) Investments	-	-
(ii) Trade receivables	2,310.48	2,220.89
(iii) Cash & cash equivalents	85.84	98.79
(iv) Bank Balances other than (iii) above	1.11	2.35
(v) Loans	4.19	4.93
(vi) Other Financial Assets	27.74	48.59
(c) Tax Assets (Net)	21.42	10.02
(d) Other Current Assets	68.80	25.44
Sub total	2,519.76	2,411.26
Total Assets	4,536.55	4,438.20
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	60.00	60.00
(b) Other Equity	858.95	870.81
Sub total	918.95	930.81
Liabilities		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	-	-
(ii) Trade payables	990.69	993.29
(iii) Other Financial Liabilities	53.83	52.38
(b) Provisions	119.63	105.34
(c) Deferred tax liabilities (Net)	-	-
(d) Tax Liabilities (Net)	-	-
(e) Other non-current liabilities	0.22	1.23
Sub total	1,164.37	1,152.24
Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	1,592.71	1,596.69
(ii) Trade payables	221.94	215.34
(iii) Other Financial Liabilities	531.77	424.74
(b) Provisions	14.81	32
(c) Tax Liabilities (Net)	-	-
(d) Other current liabilities	92.00	86.57
Sub total	2,453.23	2,355.15
Total Equity and Liabilities	4,536.55	4,438.20

Notes

1) These Financial results have been prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standards 34 'Indian Financial Reporting (Ind AS-34)' prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

2). The financial results for the Quarter and Half Year Ended on 30th September, 2018 were reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on 13th November, 2018.

3) Limited Review as per Regulation 33 of the SEBI (LODR) Regulations, 2015 (as amended) has been carried out by the statutory Auditor of the Company.






4) Company has entered into a Conciliation Agreement dated 15th November 2011 and a Further Settlement Agreement (FSA) dated 17th May 2012 for the recovery of trade receivables of USD 318.35 million (equivalent to Rs. 1470 crore approx.) including interest @ 13.50 % thereon & other charges (excluding other sister concerns) from M/s Global steel Holding Ltd and M/s Global steel Philippines Inc. (both companies are registered outside India). However, company has received Rs. 640.70 crore since signing of FSA.

For balance outstanding of Rs. 2156.49 crore (excluding Contingent Assets of Rs. 264.67 crore), the matter is pending with Hon'ble Supreme court of India. Further, one of the creditors of GSHL has filed a liquidation petition in the Isle of man, UK. STC has also filed its claim in the court of Isle of Man, UK for recovery of balance amount from GSHL. Simultaneously the case is at an advance stage of hearing with the Supreme Court of India though the party has raised the objection regarding payment of interest, the same has not been accepted by STC. In view of the above, the debt has been considered good and interest accrued amounting to Rs. 139.78 crore for the half year ended 30th September 2018 thereon is recognized as income.

5) L&DO allotted a plot of Land measuring 2.599 acres on Janpath, New Delhi to STC vide letter no.3/4(14)/68/L-1 dated 13.03.1975 and agreement for lease dated 05.12.1975 for the construction of office building viz. Jawahar Vyapar Bhawan. Company had requested L&DO vide its letter dated 09th January, 2018 that STC intends to enter into perpetual lease. Further it was also requested that L&DO may inform us the (i) Details of Non payment of Govt. dues (ii) details of unauthorized construction and (iii) the breaches, if any. However, L&DO has raised a demand vide its letter No. L&DO/LS2A/9225/133 dated 26th March 2018 for amounting to Rs. 132.83 crore for noncompliance of various conditions of the Lease Deed. L&DO had further stated that the execution of lease deed shall be subject to complete payment & putting to use of premises as permissible under Master plan. However, STC has disputed the demand and the demand raised by L&DO is under examination. Liability for the said demand has not been provided for as the non compliance of agreement for lease and amount is yet to be ascertained.

6) STC is facing temporary financial crunch due to blockage of huge amount in trade receivable where various parties have defaulted in making timely payment to STC. Legal actions have also been taken against customers for recovery of outstanding dues. The source of current liquidity crunch faced by STC is not structural deficiency but the problem on account of some transactions which we are trying to resolve. Due to non-payment of principal and interest on bank borrowings w.e.f. November 2017, the banks reported STC's account as NPA. The company has appointed financial advisor for restructuring of existing loans and for raising additional loans. Therefore, the Company has submitted resolution plan to its lender banks for restructuring of working capital loans with the objective to make the operations of the company viable and sustainable. The lender banks have formed Joint Lender Forum to finalize the reconstruction plan. In view of below mentioned points, it is believed that we shall be in a position to confidently sail as a going concern:

I. Ministry of Commerce has issued a Letter of Comfort dated 03.05.2018 for an amount of Rs. 500 crore. Further, at the insistence of Lender banks, a request has been made to Administrative Ministry for issuance of Govt. guarantee for the existing as well as proposed borrowings. The adequate support of Ministry of Commerce, Govt. of India, re-establishes our faith as a going concern entity.

II. Substantial amount is expected to be recovered from various associates in the coming years.

III. The company has signed MOU with Ministry of Commerce and Industry for turnover of Rs. 9200 crore to be achieved during the F.Y. 2018-19.

IV. The company has undertaken various cost reduction measures to improve the liquidity/profitability such as closure of unviable branches, undertaking trade in those commodities fetching higher trade margins & VRS to employees etc. Considering the strength of the company, business plans and future outlook as assessed, the company is quite confident to reach at some workable solution to resolve financial position of the company.

7) The Company had imported urea on behalf of Govt. of India during the year 2008-09. Due to non-observance of Company's instructions, the Company invoked the PBG of the supplier for Rs. 33.04 crore. The supplier referred the matter to arbitration and the arbitral award was pronounced in favour of supplier amounting to USD 9.59 million (equivalent to Rs. 69.87 crore approx.) and other cost Rs. 5.22 crore. As per Arbitral Award, the Company is liable to pay interest @12% p.a. (excluding other cost) till the date of liquidation of such liability. Thereafter, the company deposited Rs. 33.04 crore with the Delhi High Court and filed an appeal in High Court of Delhi and then in Supreme Court. Company has lost the cases in the High Court as well as Supreme Court. Since, the said transaction was undertaken by STC on behalf of DOF, Govt. of India, STC has lodged the claim with DOF. Simultaneously the matter has been taken up by the Deptt. of Commerce with the DOF for release of money to STC. The company expected that the amount payable against Court order is recoverable from DOF hence it will have no impact on the financial results of STC.

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

9) As a matter of accounting prudence, Deferred Tax Assets for the quarter ended 30.09.2018 have not been recognized.

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

As per our report of even date
M/s Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
FRN : 0000038N

(Bhaiya Rajeev Kumar)
Partner
M. No. 057911

Place: New Delhi
Date: 13.11.2018



By order of the Board of Directors

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

(S K Singhal)
GM-F & CFO

Limited Review Report

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

1. We have reviewed the accompanying Statements of Unaudited Standalone Financial Results ("the Statements") of **M/s State Trading Corporation of India Limited** ("The Company") For the Quarter and Half Year Ended on 30th September, 2018 attached herewith, being submitted by the Company pursuant to requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016 ("the Regulations"). This Statement is the responsibility of the Company's management and has been approved by the Board of Directors in their meeting held on 13th November, 2018. Our responsibility is to issue a report on these financial results based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountant of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Attention is invited to the following:

- i) Refer note no. 4 for recognition of Interest income of Rs. 139.78 Crore inspite of the foreign company disputing interest.
- ii) Refer note no. 5 for non-provision of Land and Development Office, New Delhi demand of Rs. 132.83 Crore being damages for the non-compliance of conditions of the lease deed.
- iii) Reference is invited to Note No. 6 for continuing default in the repayment of interest as well as principal amount of loan of Banks as the company is facing difficult financial condition. Consequently, accounts of the company have been reported by Banks as Non Performing Asset (NPA).

As a result of above observations (i) & (ii) the profit for the period is overstated by Rs. 272.61 Crore and retained earnings are overstated by the same amount.

4. Based on our review conducted as above and subject to the matters described in paragraph 3 above, we report that nothing else has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable Indian Accounting Standard ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other recognized accounting



practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 5th July, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

B. R. Kumar

(Bhaiya Rajeev Kumar)
Partner
M. No.: 057911



Place: New Delhi
Date: 13.11.2018

THE STATE TRADING CORPORATION OF INDIA LTD.
Statement of Standalone Financial Results for the Quarter and Six Months ended Sept 30, 2018
CIN: L74899DL1956GOI002674

(Rs. crore)

S.NO.	PARTICULARS	Quarter ended 30.09.2018 (Unaudited)	Quarter ended 30.09.2017 (Unaudited)	Half Year Ended 30.09.2018 (Unaudited)	Half Year Ended 30.09.2017 (Unaudited)	Year Ended 31.03.2018 (Audited)
1	Total income from operations	2,836.65	1,751.37	6,570.50	6,550.31	10,865.71
2	Net Profit /(Loss) for the period (before tax, exceptional and/or Extraordinary items)	(12.82)	(1.03)	(10.67)	9.00	3.02
3	Net Profit /(Loss) for the period before tax (after Exceptional and/or Extraordinary items)	(12.88)	9.51	(10.97)	23.36	32.25
4	Net Profit /(Loss) for the period after tax (after Exceptional and/or Extraordinary items)	(13.33)	7.76	(11.87)	20.39	37.52
5	Total comprehensive income for the period [comprising Profit/ (Loss) for the period (after Tax) and other comprehensive income (after tax)]	(13.33)	7.76	(11.87)	20.45	40.67
6	Equity Share Capital	60.00	60.00	60.00	60.00	60.00
7	Other Equity excluding Revaluation Reserves			(25.65)	(34.00)	(13.79)
8	Earning per share (of Rs. 10/- each) (for continuing and discontinued operations) (not Annualized) :					
	(a) Basic (in Rupees)	(2.22)	1.29	(1.98)	3.40	6.25
	(b) Diluted (in Rupees)	(2.22)	1.29	(1.98)	3.40	6.25

Notes:

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9) As a matter of accounting prudence, Deferred Tax Assets for the quarter ended 30.09.2018 have not been recognized.

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

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



Place: New Delhi
Date: 13.11.2018

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

By order of the Board of Directors

Subhigat
(S K Singhal)
GM-F & CFO