150 YEARS OF CELEBRATING THE MAHATMA

प्रभाग
DIVISION

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

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

STC/BS&P/BS/10082/2017-18/STEX August 25, 2026

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 1st Floor, P.J. Towers, Dalal Street Mumbai – 400001 Scrip Code : 512531

Sub: Annual Audited Consolidated Financial Result for the quarter and year ended March 31, 2026 and Unaudited Financial Results (Limited Reviewed) (Standalone) for the quarter ended on June 30, 2026

Dear Sir/Madam,

This is to inform that the Board of Directors of The State Trading Corporation of India Limited at its meeting held on today i.e., August 25,2026 has approved and taken on record the Annual Audited Consolidated Financial Result for the quarter and year ended March 31, 2026 and Unaudited Financial Results (Limited Reviewed) Standalone for the quarter ended on June 30, 2026.Further, in pursuance of Regulation 33, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, STC enclosing herewith the following:

A: Annual Audited (Standalone & Consolidated) Financial Result for the quarter and Year ended March 31, 2026:

i) Auditors' Report on the Annual Audited Consolidated Financial Result for the quarter and year ended March 31, 2026, pursuant to Regulation 33.

ii) Annual Audited (Standalone & Consolidated) Financial Results for the Quarter and Year ended March 31, 2026.

iii) Statement of Impact of Audit Qualification (Standalone & Consolidated) for the financial year ended 31.03.2026.

.B: Unaudited Financial Results (Limited Reviewed) (Standalone) for the quarter ended on June 30, 2026:

i) Statement of Unaudited(Standalone) Financial Results along with Limited Review Report of the Statutory Auditors for the quarter ended on June 30, 2026 and Press Release are enclosed herewith.

The Meeting of the Board of Directors commenced at 02:30 P.M. and concluded at 06:30 P.M.

Please take the above on record.

Thanking you,

Yours sincerely,
For The State Trading Corporation of India Limited

(CS Ritu Bhatia)
Company Secretary & Compliance Officer

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Independent Auditor's Report

To
The 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, 2026, the Statement of Profit and Loss (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 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 2026 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

I. *Non -Current Assets held for Sale*

i. *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 Rs. 55,929 lacs*
ii. *Leasehold land at Housing Colony at Aurobindo Marg valued at Rs. 12,394 lacs*

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Ghaziabad Off.: 48, 1st Floor, Navyug Market, Ghaziabad-201001 (UP)
Jaipur Off : Bansal Chambers, B-66, Shopping Center, Behind Dena Bank, AmbaBari, Jaipur-302039
Assam Off: Sundari Complex, G F Road, Bengenakhowa, Golaghat (Assam)-785621

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*

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 Rs. 11.67 lacs. It will also have consequential impact on the Statement of Profit and Loss account resulting into overstatement of profit by Rs. 11.67 lacs.

Further the farm tanks installed at Mallet Bunder amounting to Rs. 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 Rs. 14.84 lacs.

Further to this, reconciliation has been done at STC of its accounts with MBPT and determined that a net amount of Rs. 161 lacs are recoverable from MBPT after adjusting lease rent dues of Rs. 257 lacs against total recoveries of Rs. 419 lacs (comprising sale proceeds of STC surrendered assets by MBPT, EMD and deposits). This was communicated to MBPA for their confirmation through STC letter dated 29.10.2025, followed by reminders. However, MBPT's confirmation is still awaited. Refer Note 57.

Further, company has not amortized the value of the leasehold properties according to the IND AS 116 for the period expired till 31.03.2026 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.

ii. *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 1,69,921.85 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 Rs. 62,727.62 lacs and another sum of Rs. 1,07,194.23 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 2025-26 and there is no major update of legal cases which are pending at various forums. Thus trade receivable are not stated at realizable value less cost to be incurred to recover these trade receivables. There is also no balance confirmation available for these trade

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receivables as on 31.03.2026 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 1,69,921.85 lacs are considered doubtful of recovery resulting into short provision for doubtful debts amounting to Rs. 1,07,194.23 lacs. Thus the provision for bad and doubtful debts has been understated by Rs. 1,07,194.23 lacs and consequential impact on the statement of profit and Loss account resulting into overstatement of profit by Rs. 1,07,194.23 lacs.

Further in case of M/s Rajat Pharmaceuticals Ltd (RPL), under note no.39, Pt.No.4, 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.52786 lacs 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 6247 lacs 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. 47647 lacs.

In the case of ICICI Bank Ltd. (Bank of Rajasthan Ltd.) v. The State Trading Corporation of India Ltd. & Ors related to M/s Rajat Pharmaceuticals Ltd., As per final order dated 11.06.2025 passed by the Hon'ble Debts Recovery Tribunal-II, Delhi, STC has been directed to deposit a sum of Rs. 2,655 lacs within 30 days from the date of order. However, STC has challenged the DRT, Delhi Award and has filed an appeal before DRAT, Delhi on 25.07.2025. A conference was held with senior advocate and AOR along with STC officials on 02.02.2026 wherein it was informed by advocate that an important requirement is STC must deposit a portion of the debt due with the DRAT as a pre-deposit, usually 50% of the award along with the interest. DRAT vide order dtd 21.04.2026, directed STC to deposit 40% of the amount as pre deposit within 30 days. STC on 20.05.2026, deposited DD of Rs 10.62 cr with DRAT as pre deposit. Next date of hearing in the matter is 23.10.2026.

STC has filed non-money claim suit before different Courts at Delhi & Mumbai for declaring Bills of Exchanges of STC as null and void and unenforceable against STC which were conditionally accepted by STC on back-to-back basis i.e. STC will make payment to Rajat/Banks only upon receipt of export proceeds from the foreign buyers.

STC had filed 272 Criminal Complaints u/s 138 of N.I Act in New Delhi in 2009 which were transferred from MM Court, Patiala House District Court, New Delhi to the 33rd MM Court, Ballard Pier, Mumbai. Now the matters have been again transferred to M.M. Court, Mazgaon, Bombay. STC is claiming an amount or Rs.45,635 lacs from M/s Rajat towards cheque bounce. Cases are at the stage of issuing of summons/arguments on issuing of summons.

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. *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 41.49 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 2025-26.

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.

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

4. 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 Rs. 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 more than 3 years amounting to Rs. 3192.14 lacs where no present status is 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 Rs. 3192.14 lacs and overstatement of profit by Rs. 3192.14 lacs.

5. Provisions

Refer Note No. 38, for 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. 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. Profits are overstated and liabilities are understated by the amount yet to be ascertained by Management.

The CAG conducted "Transaction Audit" during the FY 2025-2026 has intimated that non-payment to L&DO in respect of various charges in violation of the agreement has resulted into avoidable / accumulation of Interest of ₹ 102.48 crore towards interest (calculated @ 10 % p.a. on ₹132.83 crore from 14 July 2018 up to 31 March 2026) which will further cumulate till final payment to L&DO. Details of further updated demand, if any, received from L&DO were not found available in the records.

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 March 2026, 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.

6. Trade Payables

Refer Note No.21, All the trade payables amounting to Rs. 1,09,879.53 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 buyer. Thus, the management has not accorded any treatment to these trade payables and to that extent, liabilities are overstated.

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7. *Statutory Dues*

GST

Refer Note No.14, The GST input receivable and payable balances are not reconciled by the Company as on March 31,2026. GST input Rs 54.97 lacs - 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 11.22 lacs pending, submission of correction statements.

8. ***Investments (Refer Note No.8)***

- ***STCL Limited (Subsidiary Company) :*** *As confirmed by STC management "STCL Accounts for the FY 2025-26 are yet to be adopted by the Board of Directors.*
  The availability/ recovery of asset and/ or write off could not be ascertained by the management.
- ***NSS Satpura Agro Development Company Ltd. (Joint Venture) :*** *The company has been strike off as per MCA site. However, still it is appearing in the books of accounts of STC India Limited. The availability/recovery of asset and/or write off could not be ascertained by the management.*
- ***Sea Lac Agro Ventures Limited:*** *The latest financials of the JV are not available for verification. The availability/recovery of asset and/or write off could not be ascertained by the management.*
- ***Maharashtra Small Scale Industries Development:*** *The latest financials of the JV are not available for verification. The availability/recovery of asset and/or write off could not be ascertained by the management.*
- ***Andhra Pradesh Trade Promotion Corporation Limited:*** *The latest financials of the JV are not available for verification. The availability/recovery of asset and/or write off could not be ascertained by the management.*
- ***Sindhu Resetttlement:*** *The latest financials of the JV are not available for verification. The availability/recovery of asset and/or write off could not be ascertained by the management.*

9. ***Other Equity (Refer Note No.19):*** *An amount of "Exchange Fluctuation Reserves: Rs.649.53 lacs" & "Bonus Reserve: Rs.0.33 lacs" are appearing in the books of accounts since long. As confirmed by management, these reserves are created long back and details shall be provided in next financial year. We are unable to ascertain its possible impact, if any, on the standalone financial statements of the Company.*

10. ***Other Observations***

    a. *Refer Note No. 24, customer at credit includes amount payable to U.P. Government amounting to Rs.603 lacs. As informed by the management, the company has made various other claims on U.P Government and accordingly dues of Rs. 3382.23 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 company 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.*

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b. **The impact of the following observations is not ascertainable: -**

a. *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.*

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.

b. *Refer to 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. 3082.74 lacs (Rs. 758.63 lacs for HHEC & Rs.2324.11lacs for CCIC) as on March 31,2026. The matter is said to be under correspondence with HHEC & CCIC.*

STC received a demand of Rs. 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 Rs. 8,002 Lacs, STC has paid Rs. 2,212 Lacs during 2016-17 against which CCIC has paid its share of Rs. 115 Lacs. However, HHEC has not paid its share, hence provision to the extent of share of HHEC out of payment of Rs. 2,212 Lacs has already been made. The matter was pending at Patiala House Court, Delhi, which was dismissed vide its order dated 24.03.2025.

Further, STC has filed the writ petition challenging the orders dated 24.03.2025 (HTA No.83/2017 and 85/2017 STC vs NDMC) in Delhi High Court, considering the submission made before this court, the operation and implementation of the impugned order/ action dated 30.12.2016 shall remain stayed, the next date of hearing listed on 28.07.2026

HHEC in pursuance to its Board approval dtd. 29.01.2024 submitted a proposal for surrendering back its share of 4.5% office space in JVB and 64 staff quarters at STC housing colony at zero cost to STC in lieu of outstanding dues payable to STC.

Accordingly, STC's Board on 08.08.2024 accorded approval to their offer and HHEC has handed over second floor annexe (3,795.21 sq.ft.) out of 12,667sq.ft.to STC on 26.03.2025.
Since separate valuation of the 2nd floor annex is not available and the total dues pending from HHEC is yet to be reconciled, the necessary accounting entries shall be passed in the books of accounts only upon vacation/handing of the entire share as mentioned above by HHEC. Refer Note No. 39

c. *Refer Note No.58: The Govt. of India has notified four new Labour Codes subsuming 29 existing labour legislations with effect from 21.11.2025. The detailed rules have been notified in May, 2026. The management is in the process of evaluating the financial implications of new labour codes on account of revised definition of wages and fixed term employment. The financial impact on the company on this account shall be accounted for in the next financial year.*

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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 (including the basis for the qualified opinion)

Emphasis of Matters:

Attention is invited to Note No.20: STC has paid Rs. 200 crore in OTS to Lead banker Canara Bank after signing of the Debt Settlement Agreement (DSA) and No dues certificate /Settlement Certificate issued jointly by all the six lender banks on 11.07.2025 in order to complete the One time settlement (OTS) with the lender Banks. Further, the case filed by Lead banker Canara Bank in DRT (case no. TA/18/2022) has been withdrawn on 15.07.2025. The status of completion of OTS and withdrawal of case in DRT has also been informed to MOC&I. The accounting effect of OTS has been taken in the quarter ended 30.09.2025, which has resulted in profit of Rs. 606.23 crore and has been shown under exceptional items.

Our opinion is not modified in respect of these 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.

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.

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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.

Other Matters

- **Non – compliance of Regulation 33 SEBI (LODR):** ***Refer Note No.60***

  As per Regulation 33 SEBI (LODR), 2015, STC being a listed company is required to submit the Audited Financial Results within 60 days from the end of Financial Year i.e on or before 30.05.2026.

  Due to non-appointment of required number of Independent Directors on the Board of STC by the Administrative Ministry since November, 2024, STC has not been able to reconstitute Board Level Committees. Consequently, no Board-level committee's meetings could be convened since then.

  Further, both the stock exchanges i.e NSE and BSE have levied a fine of ₹11,91,800/- each on STC for non-compliance of Regulations 17,18,19 and 20 for the quarter ended on 31.03.2026.

  In this regard, it is to mention that request for waiving off the penalties can be made only after the compliance has been done. Accordingly, once the required appointment of requisite number of Independent Directors is done by the Ministry, STC will submit its waiver application before the designated stock exchange for waiver of fines imposed by both BSE and NSE on STC for non-compliance of various SEBI (LODR) Regulations. i.e

  1. *₹8,33,080/-each for December 24 quarter (Reg 17-21).*
  2. *₹12,72,040/- each for March 25 quarter (Reg 17-20)*
  3. *₹12,04,780/- each for June 25 quarter (Reg 17-20)*
  4. *₹12,05,960/- each for September 25 quarter (Reg 17-20) and ₹1,77,000 each for September 25 quarter (Reg 33) &*
  5. *₹11,94,160 each for December 25 quarter (Reg 17-20)*
  6. *₹ 11,91,800 each for March 26 quarter (Reg 17-20)*

  Therefore, creation of provision for the above penalties may not be required, at this stage.

  Further, with regard to the fines levied on STC by BSE & NSE for the non-compliance of Regulation 33 and Regulation 34, i.e

  1. *₹1,53,400 each for March 25 quarter (Reg 33)*
  2. *₹1,71,100 each for June 25 quarter (Reg 33) &*
  3. *₹33,040 each for FY 2024-25 (Reg 34),*

  It is to inform that waiver applications have been filed for the same with the designated stock exchange (i.e BSE) by STC after making compliance.

- **Statutory Committee:** As confirmed by STC management, the company is unable to re-constitute the Statutory/ Board Level Committees i.e. Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, CSR Committee and Risk management Committee due to non-appointment of required number of Independent Directors on the Board of the Company

Our opinion is not modified in respect of these matters.

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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, 2026 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.

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- 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

PYAR & ASSOCIATES
FRN-005223C
CHARTERED ACCOUNTANTS

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 company.

iii. The Balance Sheet, the Statement of Profit and loss 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.

iv. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards, except for the 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.

PYAR & ASSOCIATES FRN-005223C CHARTERED ACCOUNTANTS

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 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.

f. According to the information and explanation provided to us and based on our examination which included test checks, the Company have used accounting software (Tally Prime) for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software. Audit trail at database level is enabled in Tally Software for all the relevant transactions recorded in the software and the audit trail feature has not been tampered. The audit trail has been preserved by the company as per the statutory requirements for record retention at application level and for database level with effect from its enablement.

According to the information and explanation provided to us and based on our examination which included test checks, Audit trail (edit log) is being maintained at application level and database level through Manual Accounting entries made on periodical basis in the Tally Prime Accounting software.

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3. We are enclosing our report in terms of Section 143 (5) of the Act, on the 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 P V A R & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No. 005223C

P V A R & ASSOCIATES
FRN-005223C
CHARTERED ACCOUNTANTS

(CA RUCHI AGARWAL)
Partner
Membership No. 504134
UDIN: 26504134NPAJJC8018
Place: New Delhi
Date: 25.08.2026

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 2026

(i) a) According to the information and explanation given to us:

A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (Assets held for disposal).

B. The company is maintaining proper records showing full Particulars of Intangible Assets (Assets held for disposal)

b) The "Assets held for disposal" have been physically verified by the Company during the year and no material discrepancies were observed in such verification

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except for 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 /	125.57	123.94

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			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.		
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 provided by the management as to why title deed has not been executed in the name of STC.

Also, Original title deeds of 1 Ahmedabad, 18 Mumbai flats & 2 Kolkata flats are not available with the company, however photocopies and true copies are available with the company.

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.

e) 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.

(ii)

a) According to the information and explanation given to us 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.

PVAR & ASSOCIATES FRN-005223C CHARTERED ACCOUNTANTS

b) As per the information and explanations given to us, STC has paid Rs.200 crore in OTS to Lead banker Canara Bank after signing of the Debt Settlement Agreement (DSA) and No dues certificate /Settlement Certificate issued jointly by all the six lender banks on 11.07.2025 in order to complete the One time settlement (OTS) with the lender Banks. Further, the case filed by Lead banker Canara Bank in DRT (case no. TA/18/2022) has been withdrawn on 15.07.2025. The status of completion of OTS and withdrawal of case in DRT has also been informed to MOC&I. The accounting effect of OTS has been taken in the quarter ended 30.09.2025, which has resulted in profit of Rs. 606.23 crore and has been shown under exceptional items.

The company is not sanctioned any other working capital limit in excess of Rs.5.0 cr.

(iii) As per the information and explanations given to us, during the year, the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans secured or unsecured to companies, firms, Limited liability partnerships or any other parties. Accordingly, the provisions of clause 3 (iii) (a) to (e) of the order are not applicable to the company.

(iv) 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.

(v) According to the information and explanations given to us, 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.

(vi) 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 (1) of the Companies Act, 2013. Accordingly, this clause of the order is not applicable to the Company.

(vii)

a) As per the information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Service Act, Provident Fund, employees state insurance (ESI), Income-tax, Tax deducted at sources, Tax collected at source, Professional Tax, Custom Duty, Cess and other material statutory dues applicable to it, with the appropriate authorities.

b) According to the information and explanations given to us, there were no undisputed amounts payable referred to in sub clause (a) in arrears as at 31 March,2026 for a period of more than six months from the date they became payable.

Details of disputed Income Tax, VAT/Trade Tax, Custom Duty which have not been deposited as on 31st March, 2026 on account of matters pending before the appropriate authorities are as under:

Name of Statue	Nature of Dues	Period to which Amount relates	Forum where dispute is pending	Amount (in crores)
Sales Tax & Custom Duty				
Customs Act	Custom Duty	2011-12	CESTAT,	1.69

PVAR & ASSOCIATES FRN-005223C CHARTERED ACCOUNTANTS

			Ahmedabad	
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
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	0.01
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	47.71
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	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 Appeallate Tribunal	0.13
Finance Act, 1994	Service Tax	01.10.2004-31.03.2011	Supreme Court, Delhi	16.54
Finance Act, 1994	Service Tax	01.04.2015- 30.06.2017	Joint Commissioner of CGST & Central Excise Mumbai	1.24

PVAR & ASSOCIATES FRN-005223C CHARTERED ACCOUNTANTS

Income Tax				
Income Tax Act,1961	Income Tax	2022-23	CIT(A)	3.36
Income Tax Act,1961	Income Tax	2024-25	CIT(A)	63.51
Income Tax Act,1961	Income Tax	2014-15	CIT(A)	13.71
Income Tax Act,1961	Income Tax	2015-16	CIT(A)	23.86
Certificate Dues Liability				
BPDRA	Certificate Dues Liability	1971-72,1976-77 to 1978-79	Concerned Department	0.0633

(viii) According to the information and explanations given to us, 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.

(ix)

a) In our opinion and according to the information and explanations given to us, Refer Note No.20 & Emphasis of Matter section of our audit report. STC has paid Rs. 200 crore in OTS to Lead banker Canara Bank after signing of the Debt Settlement Agreement (DSA) and No dues certificate /Settlement Certificate issued jointly by all the six lender banks on 11.07.2025 in order to complete the One time settlement (OTS) with the lender Banks. Further, the case filed by Lead banker Canara Bank in DRT (case no. TA/18/2022) has been withdrawn on 15.07.2025. The status of completion of OTS and withdrawal of case in DRT has also been informed to MOC&I. The accounting effect of OTS has been taken in the quarter ended 30.09.2025, which has resulted in profit of Rs. 606.23 crore and has been shown under exceptional items.

b) According to the information and explanations given to us, the company is not declared willful defaulter by any bank or financial institution or other lender.

c) According to the information and explanations given to us, no fresh term loans were obtained during the year.

d) According to the information and explanations given to us, no funds raised during the year.

e) According to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures

f) According to the information and explanations given to us, the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) Based upon the audit procedures performed and the information and explanations given by the management,

a) the company has not raised moneys by way of initial public offer or further public offer including debt instruments during the year. Accordingly, the provisions of clause 3 x(a) of the Order are not applicable to the Company and hence not commented upon.

b) 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. Accordingly, the provisions of clause 3 x(a) of the Order are not applicable to the Company and hence not commented upon.

(xi)

a) 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 10 cases filed since last few years at various forums by CBI and other bodies involving fraud perpetuated by Staff of STC on others. No amount has been quantified by the Management as these cases are said to be subjudice.

b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 14 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) According to the information and explanations given to us, No whistle blower complaints have been noticed to be received by the Company during the year.

(xii) According to the information and explanations given to us, The Company is not a Nidhi Company and hence Nidhi Rules,2014 are not applicable to the company. Therefore paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us, 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)

(xiv)

a. According to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business.

b. The reports of the Internal Auditor for the period under audit were considered by us.

(xv) 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.

(xvi)

a) According to the information and explanations given to us, the company is not required to be registered under section 45-IA of Reserve Bank of India Act,1934.

PVAR & ASSOCIATES FRN-005223C CHARTERED ACCOUNTANTS

b) According to the information and explanations given to us, the company has not conducted any Non-Banking Financial or Housing Finance activities.

c) According to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

d) According to the information and explanations given to us, company is not part of any Group, Hence Clause 3 xvi (d) of the order is not applicable.

(xvii) According to the information and explanations given to us, the Company has not incurred cash loss during the financial year and in the immediately preceding financial year

(xviii) According to the information and explanations given to us, there is no resignation of the statutory auditors during the year.

(xix) According to the information and explanations given to us, 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 & trade payables 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.

(xx)

a) According to the information and explanations given to us, in respect of other than ongoing projects, the company had transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six month of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.

b) According to the information and explanations given to us, there was no amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project.

(xxi) According to the information and explanations given to us, this CARO Report is issued in respect of standalone financial statement. Hence, clause 3 xxi of the order is not applicable.

For P V A R & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No. 005223C

P V A R & ASSOCIATES FRN-005223C CHARTERED ACCOUNTANTS

(CA RUCHI AGARWAL)
Partner
Membership No. 504134
UDIN: 26504134NPAJJC8018
Place: New Delhi
Date: 25.08.2026

"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 2026.

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, 2026 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.

P V A R & ASSOCIATES
FRN-005223C
CHARTERED ACCOUNTANTS

CA INDIA

P V A R & ASSOCIATES
CHARTERED ACCOUNTANTS

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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, 2026 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 P V A R & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No. 005223C

P V A R & ASSOCIATES
FRN-005223C
CHARTERED ACCOUNTANTS

(CA RUCHI AGARWAL)
Partner
Membership No. 504134
UDIN: 26504134NPAJJC8018

Place: New Delhi
Date: 25.08.2026

Ghaziabad Off.: 48, Ist Floor, Navyug Market, Ghaziabad-201001 (UP)
Jaipur Off : Bansal Chambers, B-66, Shopping Center, Behind Dena Bank, AmbaBari, Jaipur-302039
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P V A R & ASSOCIATES
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Independent Auditor's Limited Review Report on Unaudited (Reviewed) Quarterly & Twelve months ended 31.03.2026 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 Audited financial results of **The State Trading Corporation of India Limited** for the quarter & Twelve months ended 31st March 2026.

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 Standalone Audited Financial Results for the Twelve months ended 31st March 2026. 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 31.03.2026

*I. Refer Note No. 4 (a) of Standalone financial statements for Year ending Mar '26, 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 Unaudited (Reviewed) financial results resulting into **overstatement of profit by Rs. 11.67 lacs.***

P V A R & ASSOCIATES FRN-005223C CHARTERED ACCOUNTANTS

Further the farm tanks installed at Mallet Bunder amounting to Rs. 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 Rs. 14.84 lacs.

Further to this, reconciliation has been done at STC of its accounts with MBPT and determined that a net amount of Rs. 161 lacs are recoverable from MBPT after adjusting lease rent dues of Rs. 257 lacs against total recoveries of Rs. 419 lacs (comprising sale proceeds of STC surrendered assets by MBPT, EMD and deposits). This was communicated to MBPA for their confirmation through STC letter dated 29.10.2025, followed by reminders on 10.02.2026, 26.03.2026 and 21.05.2026. However, MBPT's confirmation is still awaited. Refer Note 57 of Standalone financial statements for Year ending Mar'26.

2. *Refer Note No. 4 of Standalone audited financial statements for year ending Mar'26, 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.1,69,921.85 lacs (relates to STC only) as per Note No. 9 of 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. 107,194.23 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 recovery during the Financial Year 2025-26 and there is no major update of legal cases which are pending at various forums. Thus trade receivable are not 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 31.03.2026 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 1,69,921.85 lacs are considered doubtful of recovery resulting into short provision for doubtful debts amounting to Rs. 1,07,194.23 lacs. Thus the provision for bad and doubtful debts has been understated by Rs. 1,07,194.23 lacs and consequential impact on the statement of profit and Loss account resulting into overstatement of profit by Rs. 1,07,194.23 lacs.

   Further in case of M/s Rajat Pharmaceuticals Ltd (RPL), under note no.39, Pt.No.4, 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.52786 lacs 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 6247 lacs approx. has been passed by Hon'ble Bombay

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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. 47647 lacs.

In the case of ICICI Bank Ltd. (Bank of Rajasthan Ltd.) v. The State Trading Corporation of India Ltd. & Ors related to M/s Rajat Pharmaceuticals Ltd., As per final order dated 11.06.2025 passed by the Hon'ble Debts Recovery Tribunal-II, Delhi, STC has been directed to deposit a sum of Rs. 2,655 lacs within 30 days from the date of order. However, STC has challenged the DRT, Delhi Award and has filed an appeal before DRAT, Delhi on 25.07.2025. A conference was held with senior advocate and AOR along with STC officials on 02.02.2026 wherein it was informed by advocate that an important requirement is STC must deposit a portion of the debt due with the DRAT as a pre-deposit, usually 50% of the award along with the interest. DRAT vide order dtd 21.04.2026, directed STC to deposit 40% of the amount as pre deposit within 30 days. STC on 20.05.2026, deposited DD of Rs 10.62 cr with DRAT as pre deposit. Next date of hearing in the matter is 23.10.2026.

STC has filed non-money claim suit before different Courts at Delhi & Mumbai for declaring Bills of Exchanges of STC as null and void and unenforceable against STC which were conditionally accepted by STC on back-to-back basis i.e. STC will make payment to Rajat/Banks only upon receipt of export proceeds from the foreign buyers.

STC had filed 272 Criminal Complaints u/s 138 of N.I Act in New Delhi in 2009 which were transferred from MM Court, Patiala House District Court, New Delhi to the 33rd MM Court, Ballard Pier, Mumbai. Now the matters have been again transferred to M.M. Court, Mazgaon, Bombay. STC is claiming an amount or Rs.45,635 lacs from M/s Rajat towards cheque bounce. Cases are at the stage of issuing of summons/arguments on issuing of summons.

Refer Note No. 8 of Limited Review statements as on 31.03.2026:
In the case of ICICI Bank Ltd. (Bank of Rajasthan Ltd.) v. The State Trading Corporation of India Ltd. & Ors related to M/s Rajat Pharmaceuticals Ltd., As per order dated 11.06.2025 passed by the Hon'ble Debts Recovery Tribunal-II, Delhi, M/s Rajat Pharmaceuticals Ltd & STC as respondent no - 2 have been jointly severely been directed to deposit a sum of Rs. 2,655 lacs within 30 days from the date of order. However, STC has challenged the DRT, Delhi order and has filed an appeal before DRAT, Delhi. The appeal was heard and DRAT vide order dtd 21.04.2026 directed STC to deposit 40% of the amount as pre-deposit. STC on 20.05.2026 deposited Rs 1062 lacs with DRAT, hence no provision (being of contingent nature) has been made. The next date of hearing is 23.10.2026

The company's Profit is overstated and the liabilities are understated by the same amount.

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 Limited Review statements as on 31.03.2026, STC has paid Rs. 200 crore in OTS to Lead banker Canara Bank after signing of the Debt Settlement Agreement (DSA) and No dues certificate /Settlement Certificate issued jointly by all the six lender banks on 11.07.2025 in order to complete the One time settlement (OTS) with the lender Banks. Further, The case filed by Lead banker Canara Bank in DRT (case no. TA/18/2022) has been withdrawn on 15.07.2025. The status of completion of OTS and withdrawal of case in DRT has also been informed to MOC&I. The accounting effect of OTS has been*

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taken in the quarter ended 30.09.2025, which has resulted in profit of Rs. 606.23 crore and has been shown under exceptional items.

5. *Other Financial Assets -Claims Recoverable: For non-provisioning in respect of Claims Recoverable o/s since last many financial years amounting to Rs. 3192.14 lacs where no present status could be ascertained by the management of the Company and still not written off. Claim recoverable as on 31.03.2026 is Rs.3192.14 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. 3192.14 lacs and overstatement of profit by Rs. 3192.14 lacs.

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

6. *Refer Note No. 5 of Limited Review statements as on 31.03.2026, 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.*

   Demand of Rs.132.83 lacs 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 Rs.8,540 lacs has been created in the book of accounts for the F.Y. 2021-22. Further, STC through its various letters has been regularly following up with L&DO for providing details of outstanding dues and the latest reminder letter dated 20.08.2025 has been issued by STC requesting L&DO to provide details of outstanding dues, as on date and the reply is still awaited. The matter relating to provisioning of amount payable to L&DO since July 2018 to December 2025 is under ascertainment by management & the decision on the same in consultation with the Competent Authority shall be taken shortly. Accordingly, no further provisioning is being made.

   The CAG conducted "Transaction Audit" during the FY 2025-2026 has intimated that non-payment to L&DO in respect of various charges in violation of the agreement has resulted into avoidable / accumulation of Interest of ₹ 102.48 crore towards interest (calculated @ 10 % p.a. on ₹132.83 crore from 14 July 2018 up to 31 March 2026) which will further cumulate till final payment to L&DO. Details of further updated demand, if any, received from L&DO were not found available in the records.

   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 Mar 2026, 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.

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7. ***Statutory Dues*** *- The GST input receivable as per GSTN and payable balances are not reconciled by the Company as on Mar 31st 2026. GST input Rs.54.97 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 as on 31.03.2026, 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*

9. ***Penalty Provisions (Refer Note No.7 of Limited Review statements as on 31.03.2026):*** *7) STC could not comply with Regulation 17,18,19,20 & 21 of SEBI (LODR), 2015 due to non appointment of Independent Directors on the Board of STC and Regulation 33 due to non-submission of consolidated annual financial results 2025-26 and results for the quarter ended on 30th June, 2026 in stipulated time due to insufficient number of member on board of STC & non-receipt of financial results from STC's wholly owned subsidiary company i.e. STCL Limited respectively. Consequently, both the stock exchanges i.e BSE and NSE levied a cumulative fine of ₹ 148.73 Lakhs (approx) on STC for non-compliance of Reg 17,18,19,20,21,33 & 34 of SEBI (LODR) Regulation, 2015 during 2025-26 (upto March' 2026). STC has taken up the matter regarding the said non-compliances with its Administrative Ministry i.e. Ministry of Commerce and Industry and also with the Stock Exchanges to avoid/ waive off the penalties imposed in this regard. Based on precedence, STC is hopeful of getting waiver, hence no provision (being of contingent nature) has been made.*

10. ***Investments (Refer Note No.8 of last audited financial statements as on 31.03.2026)***

- ***STCL Limited (Subsidiary Company) :*** *As confirmed by STC management "STCL Accounts for the FY 2025-26 are yet to be adopted by the Board of Directors."*
  The availability/ recovery of asset and/ or write off could not be ascertained by the management.
- ***NSS Satpura Agro Development Company Ltd.(Joint Venture) :*** *The company has been strike off as per MCA site. However, still it is appearing in the books of accounts of STC India Limited. The availability/ recovery of asset and/ or write off could not be ascertained by the management.*
- ***Sea Lac Agro Ventures Limited:*** *The latest financials of the JV are not available for verification. The availability/ recovery of asset and/ or write off could not be ascertained by the management.*
- ***Maharashtra Small Scale Industries Development:*** *The latest financials of the JV are not available for verification. The availability/ recovery of asset and/ or write off could not be ascertained by the management.*
- ***Andhra Pradesh Trade Promotion Corporation Limited:*** *The latest financials of the JV are not available for verification. The availability/ recovery of asset and/ or write off could not be ascertained by the management.*
- ***Sindhu Resetttlement:*** *The latest financials of the JV are not available for verification. The availability/ recovery of asset and/ or write off could not be ascertained by the management.*

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II. ***Other Equity (Refer Note No.19 of last audited financial statements as on 31.03.2026)*** *: An amount of "Exchange Fluctuation Reserves: Rs.649.53 lacs" & "Bonus Reserve: Rs.0.33 lacs" are appearing in the books of accounts since long. As confirmed by management, these reserves are created long back and details shall be reviewed during the financial year. We are unable to ascertain its possible impact, if any, on the standalone financial statements of the Company.*

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 31.03.2026. 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. 3082.74 lacs (Rs. 758.63 lacs for HHEC & Rs.2324.11lacs for CCIC) as on Mar 31,2026. The matter is said to be under correspondence with HHEC & CCIC.*

STC received a demand of Rs. 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 Rs. 8,002 Lacs, STC has paid Rs. 2,212 Lacs during 2016-17 against which CCIC has paid its share of Rs. 115 Lacs. However, HHEC has not paid its share, hence provision to the extent of share of HHEC out of payment of Rs. 2,212 Lacs has already been made. The matter was pending at Patiala House Court, Delhi, which was dismissed vide its order dated 24.03.2025.

Further, STC has filed the writ petition challenging the orders dated 24.03.2025 (HTA No.83/2017 and 85/2017 STC vs NDMC) in Delhi High Court, considering the submission made before this court, the operation and implementation of the impugned order/ action dated 30.12.2016 shall remain stayed, the next date of hearing listed on 28.07.2026

HHEC in pursuance to its Board approval dtd. 29.01.2024 submitted a proposal for surrendering back its share of 4.5% office space in JVB and 64 staff quarters at STC housing colony at zero cost to STC in lieu of outstanding dues payable to STC.

Accordingly, STC's Board on 08.08.2024 accorded approval to their offer and HHEC has handed over second floor Annexe (3,795.21 sq.ft.) out of 12,667sq.ft.to STC on 26.03.2025. Since separate valuation of the 2nd floor annex is not available and the total dues pending from HHEC is yet to be reconciled, the necessary accounting entries shall be passed in the books of accounts only upon vacation/handing of the entire share as mentioned above by HHEC. Refer Note No. 39 of Standalone audited financial statements for year ending Mar'26.

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.*

iv. *Refer Note No.09 of Limited Review statements as on 31.03.2026: The Govt. of India has notified four new Labour Codes subsuming 29 existing labour legislations with effect from*

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21.11.2025. The detailed rules have been notified in May, 2026. The management is in the process of evaluating the financial implications of new labour codes on account of revised definition of wages and fixed term employment. The financial impact on the company on this account shall be accounted for in the next financial year.

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

P V A R & ASSOCIATES
FRN-005223C
CHARTERED ACCOUNTANTS

CA. Ruchi Agarwal
(M.NO. 504134)
New Delhi
Date: 25.08.2026
UDIN : 26504134XCOSHA3269

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Independent Auditor's Report

To
The Members of
The State Trading Corporation of India Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

We are engaged to audit 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 Consolidated Balance Sheet as at 31st March, 2026, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated 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").

Disclaimer of Opinion

We do not express an opinion on the accompanying consolidated financial statements of the Group. Because of the significance of the matters described in the "Basis for Disclaimer of Opinion" section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Consolidated Financial Statements.

Basis for Disclaimer of Opinion

1. **Qualification Carried Forward from The State Trading Corporation of India Limited (the Parent Company):**

I. Non -Current Assets held for Sale

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

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Ghaziabad Off.: 48, Ist Floor, Navyug Market, Ghaziabad-201001 (UP)
Jaipur Off.: Bansal Chambers, B-66, Shopping Center, Behind Dena Bank, AmbaBari, Jaipur-302039
Assam Off: Sundari Complex, G F Road, Bengenakhowa, Golaghat (Assam)-785621

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*

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 Rs. 11.67 lacs. It will also have consequential impact on the Statement of Profit and Loss account resulting into overstatement of profit by Rs. 11.67 lacs.

Further the farm tanks installed at Mallet Bunder amounting to Rs. 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 Rs. 14.84 lacs.

Further to this, reconciliation has been done at STC of its accounts with MBPT and determined that a net amount of Rs. 161 lacs are recoverable from MBPT after adjusting lease rent dues of Rs. 257 lacs against total recoveries of Rs. 419 lacs (comprising sale proceeds of STC surrendered assets by MBPT, EMD and deposits). This was communicated to MBPA for their confirmation through STC letter dated 29.10.2025, followed by reminders. However, MBPT's confirmation is still awaited. Refer Note 57.

Further, company has not amortized the value of the leasehold properties according to the IND AS 116 for the period expired till 31.03.2026 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.

ii. *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 1,69,921.85 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 Rs. 62,727.62 lacs and another sum of Rs. 1,07,194.23 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*

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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 2025-26 and there is no major update of legal cases which are pending at various forums. Thus trade receivable are not 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 31.03.2026 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 1,69,921.85 lacs are considered doubtful of recovery resulting into short provision for doubtful debts amounting to Rs. 1,07,194.23 lacs. Thus the provision for bad and doubtful debts has been understated by Rs. 1,07,194.23 lacs and consequential impact on the statement of profit and Loss account resulting into overstatement of profit by Rs. 1,07,194.23 lacs.

Further in case of M/s Rajat Pharmaceuticals Ltd (RPL), under note no.39, Pt.No.4, 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.52786 lacs 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 6247 lacs 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. 47647 lacs.

In the case of ICICI Bank Ltd. (Bank of Rajasthan Ltd.) v. The State Trading Corporation of India Ltd. & Ors related to M/s Rajat Pharmaceuticals Ltd., As per final order dated 11.06.2025 passed by the Hon'ble Debts Recovery Tribunal-II, Delhi, STC has been directed to deposit a sum of Rs. 2,655 lacs within 30 days from the date of order. However, STC has challenged the DRT, Delhi Award and has filed an appeal before DRAT, Delhi on 25.07.2025. A conference was held with senior advocate and AOR along with STC officials on 02.02.2026 wherein it was informed by advocate that an important requirement is STC must deposit a portion of the debt due with the DRAT as a pre-deposit, usually 50% of the award along with the interest. DRAT vide order dtd 21.04.2026, directed STC to deposit 40% of the amount as pre deposit within 30 days. STC on 20.05.2026, deposited DD of Rs 10.62 cr with DRAT as pre deposit. Next date of hearing in the matter is 23.10.2026.

STC has filed non-money claim suit before different Courts at Delhi & Mumbai for declaring Bills of Exchanges of STC as null and void and unenforceable against STC which were conditionally accepted by STC on back-to-back basis i.e. STC will make payment to Rajat/Banks only upon receipt of export proceeds from the foreign buyers.

STC had filed 272 Criminal Complaints u/s 138 of N.I Act in New Delhi in 2009 which were transferred from MM Court, Patiala House District Court, New Delhi to the 33rd MM Court, Ballard Pier, Mumbai. Now the matters have been again transferred to M.M. Court, Mazgaon, Bombay. STC is claiming an amount or Rs.45,635 lacs from M/s Rajat towards cheque bounce. Cases are at the stage of issuing of summons/arguments on issuing of summons.

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.

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3. 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 41.49 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 2025-26.

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.

4. 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 Rs. 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 more than 3 years amounting to Rs. 3192.14 lacs where no present status is 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 Rs. 3192.14 lacs and overstatement of profit by Rs. 3192.14 lacs.

5. Provisions

Refer Note No. 38, for 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. 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. Profits are overstated and liabilities are understated by the amount yet to be ascertained by Management.

The CAG conducted "Transaction Audit" during the FY 2025-2026 has intimated that non-payment to L&DO in respect of various charges in violation of the agreement has resulted into avoidable / accumulation of Interest of ₹ 102.48 crore towards interest (calculated @ 10 % p.a. on ₹132.83 crore from 14 July 2018 up to 31 March 2026) which will further cumulate till final payment to L&DO. Details of further updated demand, if any, received from L&DO were not found available in the records.

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 March 2026, 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.

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6. Trade Payables

Refer Note No.21, All the trade payables amounting to Rs. 1,09,879.53 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 buyer. Thus, the management has not accorded any treatment to these trade payables and to that extent, liabilities are overstated.

7. Statutory Dues

GST

Refer Note No.14, The GST input receivable and payable balances are not reconciled by the Company as on March 31,2026. GST input Rs 54.97 lacs - 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 11.22 lacs pending, submission of correction statements.

8. Investments (Refer Note No.8)

- ***STCL Limited (Subsidiary Company) :*** *As confirmed by STC management "STCL Accounts for the FY 2025-26 are yet to be adopted by the Board of Directors.*
  The availability/recovery of asset and/or write off could not be ascertained by the management.
- ***NSS Satpura Agro Development Company Ltd. (Joint Venture) :*** *The company has been strike off as per MCA site. However, still it is appearing in the books of accounts of STC India Limited. The availability/recovery of asset and/or write off could not be ascertained by the management.*
- ***Sea Lac Agro Ventures Limited:*** *The latest financials of the JV are not available for verification. The availability/recovery of asset and/or write off could not be ascertained by the management.*
- ***Maharashtra Small Scale Industries Development:*** *The latest financials of the JV are not available for verification. The availability/recovery of asset and/or write off could not be ascertained by the management.*
- ***Andhra Pradesh Trade Promotion Corporation Limited:*** *The latest financials of the JV are not available for verification. The availability/recovery of asset and/or write off could not be ascertained by the management.*
- ***Sindhu Resetttlement:*** *The latest financials of the JV are not available for verification. The availability/recovery of asset and/or write off could not be ascertained by the management.*

9. Other Equity (Refer Note No.19): *An amount of "Exchange Fluctuation Reserve: Rs.649.53 lacs" & "Bonus Reserve: Rs.0.33 lacs" are appearing in the books of accounts since long. As confirmed by management, these reserves are created long back and details shall be provided in next financial year. We are unable to ascertain its possible impact, if any, on the standalone financial statements of the Company.*

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10. Other Observations

i. *Refer Note No. 24, customer at credit includes amount payable to U.P. Government amounting to Rs.603 lacs. As informed by the management, the company has made various other claims on U.P Government and accordingly dues of Rs. 3382.23 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 company 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.*

ii. **The impact of the following observations is not ascertainable: -**

a. *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.*

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.

b. *Refer to 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. 3082.74 lacs (Rs. 758.63 lacs for HHEC & Rs.2324.11lacs for CCIC) as on March 31,2026. The matter is said to be under correspondence with HHEC & CCIC.*

STC received a demand of Rs. 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 Rs. 8,002 Lacs, STC has paid Rs. 2,212 Lacs during 2016-17 against which CCIC has paid its share of Rs. 115 Lacs. However, HHEC has not paid its share, hence provision to the extent of share of HHEC out of payment of Rs. 2,212 Lacs has already been made. The matter was pending at Patiala House Court, Delhi, which was dismissed vide its order dated 24.03.2025.

Further, STC has filed the writ petition challenging the orders dated 24.03.2025 (HTA No.83/2017 and 85/2017 STC vs NDMC) in Delhi High Court, considering the submission made before this court, the operation and implementation of the impugned order/ action dated 30.12.2016 shall remain stayed, the next date of hearing listed on 28.07.2026

HHEC in pursuance to its Board approval dtd. 29.01.2024 submitted a proposal for surrendering back its share of 4.5% office space in JVB and 64 staff quarters at STC housing colony at zero cost to STC in lieu of outstanding dues payable to STC.

Accordingly, STC's Board on 08.08.2024 accorded approval to their offer and HHEC has handed over second floor annexe (3,795.21 sq.ft.) out of 12,667sq.ft.to STC on 26.03.2025.

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Since separate valuation of the 2nd floor annex is not available and the total dues pending from HHEC is yet to be reconciled, the necessary accounting entries shall be passed in the books of accounts only upon vacation/handing of the entire share as mentioned above by HHEC. Refer Note No. 39

c. *Refer Note No.58: The Govt. of India has notified four new Labour Codes subsuming 29 existing labour legislations with effect from 21.11.2025. The detailed rules have been notified in May, 2026. The management is in the process of evaluating the financial implications of new labour codes on account of revised definition of wages and fixed term employment. The financial impact on the company on this account shall be accounted for in the next financial year.*

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 (including the basis for the qualified opinion)

II. **Limitation of Scope due to Unapproved/ Unaudited Financial Statements of STCL Limited (Subsidiary company):** The Consolidated Financial Statements include the un-audited financial statements of STCL Limited, a subsidiary whose financial statements reflect Total Assets of ₹ 143.43 Lakhs as at March 31, 2026, Total Revenues of ₹ 357.39 Lakhs, Total Net Profit after tax of ₹ 263.27 Lakhs, and Net Cash Flows of ₹ 7.94 Lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements are **not approved by Board of Directors / are not audited** and have been incorporated into the Consolidated Financial Statements by the Management of the Parent Company. We were unable to perform alternative audit procedures or obtain sufficient appropriate audit evidence regarding the financial information of this subsidiary. Given that the financial assets, liabilities, revenue, and operations of this subsidiary constitute a substantial and pervasive portion of the consolidated financial position of the Group, the lack of approved/ audited financial information presents a limitation on our audit scope that is both material and pervasive to the Consolidated Financial Statements as a whole.

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

P Y A R & ASSOCIATES FRN-005223C CHARTERED ACCOUNTANTS 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, 2026 and the Group is functioning only with the assistance of Independent Directors and Director (Finance) on Additional Charge.

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Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibility is to conduct an audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013, and to issue an Auditor's Report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Consolidated Financial Statements.

We are independent of the Group in accordance with the Code of Ethics and provisions of the Companies Act, 2013 that are relevant to our audit of the consolidated financial statements in India under the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the requirements under the Companies act, 2013.

Report on Other Legal and Regulatory Requirements:

1. As required by Section 143(3) of the Act, based on our audit of Standalone Financial Statement of the Parent Company and on the consideration of Unaudited/ Unapproved accounts of the subsidiary we report that:
    i. We have sought and obtained all the information and explanations, except for the matters referred in "Basis for Disclaimer of Opinion"- Impact of which is non-ascertainable, which to the best of our knowledge and belief were necessary for the purposes of our audit.

    ii. Due to the significance of the matter described in the Basis for Disclaimer of Opinion section regarding the unapproved/unaudited Financial statement of subsidiary, we are unable to comment whether proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept

    iii. Due to the significance of the matter described in the Basis for Disclaimer of Opinion section regarding the unapproved/unaudited Financial statement of subsidiary, we are unable to comment on The Consolidated Balance Sheet, the Consolidated Statement of Profit and loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report.

    iv. Due to the significance of the matter described in the Basis for Disclaimer of Opinion section regarding the unapproved/unaudited Financial statement of subsidiary, we are unable to comment whether Consolidated financial statements comply with the Indian Accounting Standards, 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.

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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 Company;

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 "Disclaimer of 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 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 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. i) The Management of the Parent Company, has represented 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 Group 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.

Representation by Management of the Subsidiary is not available. Hence, we are unable to report to that extent.

ii) The Management of the Parent 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 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,

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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.

Representation by Management of the Subsidiary is not available. Hence, we are unable to report to that extent.

(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.

f. According to the information and explanation provided to us and based on our examination which included test checks, the Parent Company have used accounting software (Tally Prime) for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software. Audit trail at database level is enabled in Tally Software for all the relevant transactions recorded in the software and the audit trail feature has not been tampered. The audit trail has been preserved by the Parent company as per the statutory requirements for record retention at application level and for database level with effect from its enablement. According to the information and explanation provided to us and based on our examination which included test checks, Audit trail (edit log) is being maintained at application level and database level through Manual Accounting entries made on periodical basis in the Tally Prime Accounting software.

Audit Report of Subsidiary company in not available. Hence, we are unable to report to that extent.

For P V A R & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No. 005223C

P V A R & ASSOCIATES FRN-005223C CHARTERED ACCOUNTANTS

(CA RUCHI AGARWAL)
Partner
Membership No. 504134
UDIN: 26504134QEAKPD1236
Place: New Delhi
Date: 25.08.2026

P V A R & ASSOCIATES FRN-005223C CHARTERED ACCOUNTANTS

"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 2026

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

We are engaged to audit the internal financial controls over financial reporting 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" as of March 31, 2026 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

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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 not 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 (IFCoFR)

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.

Disclaimer of Opinion

We do not express an opinion on the Internal financial controls over financial reporting of the Group. Because of the matter described in the Basis for Disclaimer of Opinion section below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls over financial reporting of the Group.

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Accordingly, we do not express an opinion on the Internal Financial Controls Over Financial Reporting under Section 143(3)(i) of the Act for the Group as of March 31, 2026.

Basis for Disclaimer of Opinion

1. **Qualification in respect of** Internal Financial Controls Over Financial Reporting Carried Forward from The State Trading Corporation of India Limited (the Parent company):

    a) Lack of effective scrutiny of accounting ledgers as far as o/s liabilities/Claims recoverable/Security Deposits is seen as they are not updated.

    b) Manner of maintenance of Fixed Assets Schedule & register need to be strengthened.

    c) 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 Parent Company and its subsidiary.

    d) 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.

    e) 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.

    f) As there are no proper Full Time working Directors in the Parent Company and its subsidiary, 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 Parent Company and its subsidiary.

    g) The CAG conducted "Transaction Audit" during the FY 2025-2026 has reported that there is Delay in execution of Maintenance Contract, execution of work without approval and deviation from the prescribed tender terms.

    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.

2. Limitation of Scope due to non receipt of "Independent Audit Report over Internal Financial Controls Over Financial Report" **of STCL Limited (Subsidiary company)** - The Independent Auditors Report for Internal financial controls over financial reporting for STCL Limited, a subsidiary company whose financial statements are unapproved/ unaudited, has not been furnished to us.

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Consequently, we were unable to perform audit procedures to evaluate the design and test the operating effectiveness of internal financial controls over financial reporting in respect of the said subsidiary. Given that the financial parameters of this subsidiary form a material and pervasive portion of the Consolidated Financial Statements, we are unable to determine whether the Group has maintained adequate internal financial controls over financial reporting and whether such controls were operating effectively as at March 31, 2026.

For P V A R & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No. 005223C

P V A R & ASSOCIATES * FRN-005223C * CHARTERED ACCOUNTANTS

(CA RUCHI AGARWAL)
Partner
Membership No. 504134
UDIN: 26504134QEAKPD4236
Place: New Delhi
Date: 25.08.2026

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) *Lack of effective scrutiny of accounting ledgers as far as o/s liabilities/Claims recoverable/Security Deposits is seen as they are not updated.*

b) *Manner of maintenance of Fixed Assets Schedule & register (Assets Held for Sale) need to be strengthened.*

c) *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.*

d) *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.*

e) *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.*

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f) *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.*

g) *The CAG conducted "Transaction Audit" during the FY 2025-2026 has reported that there is Delay in execution of Maintenance Contract, execution of work without approval and deviation from the prescribed tender terms.*

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, (including the basis for the qualified 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, 2026, 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, 2026 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 P V A R & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No. 005223C

P V A R & ASSOCIATES FRN-005223C CHARTERED ACCOUNTANTS

(CA RUCHI AGARWAL)
Partner
Membership No. 504134
UDIN: 26504134NPAJJC8018

Place: New Delhi
Date: 25.08.2026

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 2026.

Sl. No.	Particulars	Reply
I	Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post-retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements.	As far as post-retirement benefits of the employees are concerned, Company is having 3 Trusts namely; 1. STC Employees PF Trust Fund 2. STC Employees Pension Trust Fund 3. STC Employees Gratuity Fund Investment of fund pertaining to the above Trusts are governed as per EPFO Guidelines & Guidelines approved by Board of Trustees. Accounts including investments of the trusts are audited as per law by Independent Auditors. Valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements is being taken care by Independent Auditors/ Management of the respective Trust.
II	Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, whether the review of this system and controls that are significant to the Company's financial reporting process as well as cyber security has been done by Information Security auditing Organisations empaneled by Cert-In at a minimum frequency of one in a year and material discrepancies found if any, have been suitably reported? The implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications may also be reported.	STC does not have any system to process accounting transactions through IT system, however, the accounting transactions are recorded in TALLY Prime accounting software. Audit Trail is maintained for accounting transactions recorded in Tally Prime Accounting software. Security Audit was carried out in April 2025 and "Certificate of Security Audit" was issued to STC by Cert-In empaneled Information Security Auditing Organisation with validity till April 2026. The certificate states that STC addressed identified vulnerabilities and now complies with Cert-In standards.
III	Whether funds (grants/ subsidy etc.) received/ receivable for specific schemes from Central/State Government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the received funds were utilised as per its terms and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant List the cases of deviation.	STC has not received any grants/subsidy for specific schemes from Central/State Government or its agencies.
IV	Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices?	a) Management has confirmed that, STC had an approved Enterprise level risk assessment model in 2014 for assessing risk involved in trade transactions. Later, in Nov., 2020 as per directions of the administrative ministry, STC became non-operative and adopted non-going concern accounting policy, and is presently being considered for closure by the administrative ministry. At present, there is no current

P V A R & ASSOCIATES FRN-005223C CHARTERED ACCOUNTANTS

		business/trade being carried on by STC, however, due to uncertainties related to the current status of STC, it has been directed to put on hold the formulation of any risk management policy.
	(b) whether the Company has identified its data assets and whether it has been valued appropriately?	b) The company has identified data assets as follows: TALLY Prime software back-up, including sales book, purchase book, BRS, Journal , receipt and payment vouchers, audit trail, signed TBs, PV reports, FAR, monthly muster roll for salary calculation, service books of employees, official website data, GST as well as Income Tax portal data, Legal cases updation sheets, court order sheets, Secretarial data, minutes of all statutory meetings, Annual reports. Valuation of Data Assets is not done
V	Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted.	**SEBI (LODR), Regulations, 2015 and other applicable rules and regulations of SEBI**: Non-compliance of Regulations 17,18,19 and 20 w.r.t composition of STC's Board and Board Level Committees for the Quarters ending Dec'24, Mar'25, Jun'25, Sep'25, Dec'25, Mar'26 and non- compliance of Regulation 34 for non- submission of Annual Report for the FY 2024-25 in timely manner and Regulations 33 for Quarter ending Mar'25 & Jun'25. Both the Stock Exchanges i.e NSE and BSE have separately imposed penalties on STC for the same. **CERT-In & MEITY** – Complied, except that as per **MEITY** Guidelines, Cyber Crisis Management Plan (CCMP) is yet to be implemented. **Ministry of Corporate Affairs (MCA)** - Complied, except that STC is currently in violation of Sections 96, 129, 134, 135,149,173,177 and 178 of the Companies Act, 2013. **DIPAM**- Complied **DPE**- Complied **TRAI**- Not Applicable. **NPCI**- Not Applicable. **RBI**- Not Applicable.

For P V A R & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No. 005223C

P V A R & ASSOCIATES FRN-005223C CHARTERED ACCOUNTANTS

(CA RUCHI AGARWAL)
Partner
Membership No. 504134
UDIN: 26504134NPAJJC8018
Place: New Delhi
Date: 25.08.2026

P V A R & ASSOCIATES
CHARTERED ACCOUNTANTS

203, 2nd Floor, V4 Mayur Plaza-1, Plot No. 1, LSC,
Mayur Vihar Phase-1, Delhi-110091
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Email: fcaruchiagarwal@gmail.com , pvardelhi@gmail.com
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Independent Auditor's Limited Review Report on Unaudited (Reviewed) Consolidated accounts for the Quarter & Twelve Month Ended 31.03.2026 on the Consolidated 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 Unaudited Consolidated financial results of **The State Trading Corporation of India Limited (hereinafter referred to as "the Holding Company")** and its subsidiary (the Holding Company and its subsidiary "STCL Limited", the parent and its subsidiary are together referred to as the "Group"), for the quarter ended 31st March, 2026 ("the Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended ("the Listing Regulations") including relevant circulars issued by SEBI from time to time.

2 This statement is the responsibility of the Group'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 Group personnel and analytical procedures applied to financial data and thus provide less assurance than an audit.

4 We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

5 Refer to Note No. 1 in Statement of Unaudited (Reviewed) Financial Results for the Quarter & Twelvve Month ended March 31st 2026 that these financial results have been prepared in accordance with accounting policy on a non-going concern basis.

P V A R & ASSOCIATES
FRN-003223C
CHARTERED ACCOUNTANTS

6 Basis for Disclaimer of Opinion

The financial statements of STCL Limited (Subsidiary) are unapproved/ unreviewed by the Board of Directors of the STCL Limited and Unreviewed by its statutory auditor. We are unable to form any opinion on the Unapproved/ Unreviewed Financial Consolidated Results for the Twelve months ended 31.03.2026.

Disclaimer of Opinion

We do not express an opinion on the accompanying consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient evidence to provide a basis for a limited review opinion on these consolidated financial statements.

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

P V A R & ASSOCIATES * FRN-005223C * CHARTERED ACCOUNTANTS

CA. Ruchi Agarwal
(M.NO. 504134)
New Delhi
Date: 25.08.2026
UDIN : 26504134SBVNKO6040

THE STATE TRADING CORPORATION OF INDIA LTD.
Statement of Financial Results for the quarter & year ended Mar 31st, 2026
CIN: L74899DL1956GOI002674

(Rs. Lacs)

S.NO	PARTICULARS	STANDALONE					CONSOLIDATED				
		Quarter ended 31.03.2026	Quarter ended 31.12.2025	Quarter ended 31.03.2025	Year ended March 31, 2026	Year ended March 31, 2025	Quarter ended 31.03.2026	Quarter ended 31.12.2025	Quarter ended 31.03.2025	Year ended March 31, 2026	Year ended March 31, 2025
		(audited)	(unaudited)	(audited)	(audited)	(audited)	(audited)	(un-audited)	(audited)	(audited)	(audited)
1	Total income from operations	-	-	-	-	-	-	-	-	-	-
2	Net Profit /(Loss) for the period (before tax, exceptional and/or Extraordinary items)	1,357.60	1,422.00	1,386.01	5,004.39	7,603.40	985.08	1,418.76	1,353.65	4,911.17	7,505.73
3	Net Profit /(Loss) for the period before tax (after Exceptional and/or Extraordinary items)	1,355.09	1,421.24	1,395.35	65,622.84	4,886.09	1,338.86	1,419.00	1,362.99	65,886.12	4,788.92
4	Net Profit /(Loss) for the period after tax (after Exceptional and/or Extraordinary items)	992.79	1,658.01	348.68	64,564.31	2,572.16	976.55	1,654.77	316.32	64,817.59	2,474.61
5	Total comprehensive income for the period [comprising Profit/ (Loss) for the period (after Tax) and other comprehensive income (after tax)]	1,545.46	1,658.01	936.03	65,206.98	3,159.53	1,629.22	1,654.77	903.67	65,470.26	3,061.98
6	Equity Share Capital	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
7	Other Equity excluding Revaluation Reserves	-	-	-	(33,164.14)	(98,371.12)	-	-	-	(4,88,936.16)	(5,54,406.42)
8	Earning per share (of Rs. 10/- each) (for continuing and discontinued operations) (not Annualized) :										
	(a) Basic (in Rupees)	2.74	2.76	1.56	108.68	5.27	2.72	2.76	1.51	109.12	5.10
	(b) Diluted (in Rupees)	2.74	2.76	1.56	108.68	5.27	2.72	2.76	1.51	109.12	5.10

Notes:

1) 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.

2) The consolidated financial results for the period ended 31st March 2026 were approved by the Board of Directors in its meeting held on 25.08.2026

3) STC has paid Rs. 200 crore in OTS to Lead banker Canara Bank after signing of the Debt Settlement Agreement (DSA) and No dues certificate /Settlement Certificate issued jointly by all the six lender banks on 11.07.2025 in order to complete the One time settlement (OTS) with the lender Banks. Further, The case filed by Lead banker Canara Bank in DRT (case no. TA/18/2022) has been withdrawn on 15.07.2025. The status of completion of OTS and withdrawal of case in DRT has also been informed to MOC&I. The accounting effect of OTS has been taken in the quarter ended 30.09.2025, which has resulted in profit of Rs. 606.23 crore and has been shown under exceptional items.

4) Trade receivable of Rs. 1,69,921.85 lacs includes Rs. 62,727.62 lacs having credit impairment.

5) Demand of Rs. 132.83 Crore was raised by L&DO vide its letter no. L&DO/OL/S2A/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 Rs. 8,540 lacs has been created in the books of accounts for the F.Y. 2021-22. Further, STC through its various letters has been regularly following up with L&DO for providing details of outstanding dues and the latest reminder letter dated 28.04.2026 has been issued by STC requesting L&DO to provide details of outstanding dues, as on date and the reply is still awaited.

6) 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-progess, 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 per valuation of STC's immovable porperties, fair value as on 30.09.2023 based on current title is : JVB - Rs 81,145 lacs, STCHC- Rs 48,267 lacs & Others - Rs 26,188 lacs. An impairment of Rs 318 lacs charged from revaluation reserve during the FY 2023-24.

7) STC could not comply with Regulation 17,18,19,20 & 21 of SEBI (LODR), 2015 due to non appointment of Independent Directors on the Board of STC and Regulation 33 due to non-submission of consolidated annual financial results 2025-26 and results for the quarter ended on 30th June, 2026 in stipulated time due to insufficient number of member on board of STC & non-receipt of financial results from STC's wholly owned subsidiary company i.e. STCL Limited respectively. Consequently, both the stock exchanges i.e BSE and NSE levied a cumulative fine of ₹ 148.73 Lakhs (approx) on STC for non-compliance of Reg 17,18,19,20,21,33 & 34 of SEBI (LODR) Regulation, 2015 during 2025-26 (upto March' 2026). STC has taken up the matter regarding the said non-compliances with its Administrative Ministry i.e. Ministry of Commerce and Industry and also with the Stock Exchanges to avoid/waive off the penalties imposed in this regard. Based on precedence, STC is hopeful of getting waiver, hence no provision (being of contingent nature) has been made.

8) In the case of ICICI Bank Ltd. (Bank of Rajasthan Ltd.) v. The State Trading Corporation of India Ltd. & Ors related to M/s Rajat Pharmaceuticals Ltd., As per order dated 11.06.2025 passed by the Hon'ble Debts Recovery Tribunal-II, Delhi, M/s Rajat Pharmaceuticals Ltd & STC as respondent no - 2 have been jointly severely been directed to deposit a sum of Rs. 2,655 lacs within 30 days from the date of order. However, STC has challenged the DRT, Delhi order and has filed an appeal before DRAT, Delhi The appeal was heard and DRAT vide order dtd 21.04.2026 directed STC to deposit 40% of the amount as pre-deposit. STC on 20.05.2026 deposited Rs 1062 lacs with DRAT, hence no provision (being of contingent nature) has been made. The next date of hearing is 23.10.2026

9) The Govt. of India has notified four new Labour Codes subsuming 29 existing labour legislations with effect from 21.11.2025. The detailed rules have been notified in May, 2026. The management is in the process of evaluating the financial implications of new labour codes on account of revised definition of wages and fixed term employment. The financial impact on the company on this account shall be accounted for in the next financial year.

10) Figures of last quarter are the balancing figures between audited figures in respect of the full financial year & the published year to date figure upto the third Quarter of the current financial year. Amount in the financial statements are presented in Rs lacs (upto two decimals) except for per share data and as otherwise stated. Certain small amounts may not appear in financial statements due to rounding off in Rs lacs. Previous year's figures have been regrouped/rearranged wherever considered necessary. Regrouping / rearrangement of data is for specific purpose of presentation in financial statements only and do not affect legal status of STC. STC reserves all its rights under the applicable laws.

By order of the Board of Directors

As per our report of even date attached
For P V A R & Associates
Chartered Accountants
Firm Reg. No. 005223C

(CA Ruchi Agarwal)
Partner
M. No. 504134
Place: New Delhi
Dated : 25.08.2026

P V A R & ASSOCIATES
FRN-005223C
CHARTERED ACCOUNTANTS

(Nitin Kumar Yadav)
CMD
DIN -03104046

(Raghvendra Singh)
Director- Fin
DIN - 11788427

(B.S.Rao)
CFO

(Ritu Bhatia)
Company Secretary A18344

THE STATE TRADING CORPORATION OF INDIA LTD.
tement of Financial Results for the quarter & year ended Mar 3 025
CIN: L74899DL1956GOI002674

(Rs. Lacs)

Particulars	STANDALONE					CONSOLIDATED				
	Quarter ended 31.03.2026	Quarter ended 31.12.2025	Quarter ended 31.03.2026	Year ended March 31, 2026	Year ended March 31, 2025	Quarter ended 31.03.2026	Quarter ended 31.12.2025	Quarter ended 31.03.2025	Year ended March 31, 2026	Year ended March 31, 2025
	(audited)	(un-audited)	(audited)	(audited)	(audited)	(audited)	(un-audited)	(audited)	(audited)	(audited)
Income										
Revenue from Operations	-	-	-	-	-	-	-	-	-	-
Other Income	2,559.54	2,463.43	2,778.86	9,621.92	12,507.60	2,210.08	2,485.93	2,780.06	9,622.81	12,508.80
Total Income	2,559.54	2,463.43	2,778.86	9,621.92	12,507.60	2,210.08	2,485.93	2,780.06	9,622.81	12,508.80
Expenses										
Cost of materials consumed	-	-	-	-	-	-	-	-	-	-
Purchases of Stock in trade	-	-	-	-	-	-	-	-	-	-
Change in Inventory	-	-	-	-	-	-	-	-	-	-
Employees' Benefit Expenses	524.79	622.47	879.98	2,474.72	3,088.81	546.03	644.09	900.08	2,557.86	3,167.28
Finance Cost	53.84	53.80	52.42	203.49	201.18	53.84	53.80	52.42	203.49	201.18
Depreciation & Amortization Expenses	-	-	-	-	-	-	-	-	-	-
Other Expenses	623.11	365.16	460.45	1,939.32	1,614.21	625.15	369.28	473.91	1,950.20	1,634.61
Total expenses	1,201.74	1,041.43	1,392.85	4,617.53	4,904.20	1,225.02	1,067.17	1,426.41	4,711.64	5,003.07
Profit before exceptional items and tax	1,357.80	1,422.00	1,386.01	5,004.39	7,603.40	985.06	1,418.76	1,353.65	4,911.17	7,505.73
Exceptional Items - Expense /(Income)	2.71	0.76	(9.34)	(60,618.45)	2,716.81	(353.79)	0.76	(9.34)	(60,974.95)	2,716.81
Profit Before Tax	1,355.09	1,421.24	1,395.35	65,622.84	4,886.59	1,338.85	1,418.00	1,362.99	65,886.12	4,788.92
Tax expense										
(i) Current tax	362.30	471.50	1,046.67	1,776.80	1,046.67	362.30	471.50	1,046.67	1,776.80	1,046.67
(i) Tax related to earlier years	-	(708.27)	-	(708.27)	1,267.74	-	(708.27)	-	(708.27)	1,267.74
(ii) Deferred tax	-	-	-	-	-	-	-	-	-	-
Profit for the period from continuing operations (A)	992.79	1,658.01	348.68	64,554.31	2,572.18	976.55	1,654.77	316.32	64,817.59	2,474.51
Profit/(loss) from discontinued operations	-	-	-	-	-	-	-	-	-	-
Tax expense of discontinued operations	-	-	-	-	-	-	-	-	-	-
Profit from discontinued operations after tax (B)	-	-	-	-	-	-	-	-	-	-
I Profit for the period (A+B)	992.79	1,658.01	348.68	64,554.31	2,572.18	976.55	1,654.77	316.32	64,817.59	2,474.51
II Other Comprehensive Income										
Items that will not be reclassified to profit or loss										
- Remeasurements of the defined benefit plans	652.67	-	587.35	652.67	587.35	652.67	-	587.35	652.67	587.35
Less: Income Tax on Above	-	-	-	-	-	-	-	-	-	-
Items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-	-	-
Total of Other Comprehensive Income	652.67	-	587.35	652.67	587.35	652.67	-	587.35	652.67	587.35
Total Comprehensive Income for the period	1,645.46	1,658.01	936.03	65,206.98	3,159.53	1,629.22	1,654.77	903.67	65,470.26	3,061.86
Paid up equity share capital (Face value of Rs. 10/- each)	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
Other Equity excluding Revaluation Reserves	-	-	-	(33,164.14)	(98,371.12)	-	-	-	(4,68,936.16)	(5,54,406.42)
Earnings per equity share :										
(1) Basic (in Rupees)	2.74	2.76	1.56	108.68	5.27	2.72	2.76	1.51	109.12	5.10
(2) Diluted (in Rupees)	2.74	2.76	1.56	108.68	5.27	2.72	2.76	1.51	109.12	5.10

PVAR & ASSOCIATES
FRN-005223C
CHARTERED ACCOUNTANTS

Segment-wise Revenue, Results, Assets & Liabilities

(Rs. Lacs)

Particulars	STANDALONE					CONSOLIDATED				
	Quarter ended 31.03.2026	Quarter ended 31.12.2025	Quarter ended 31.03.2025	Year ended March 31, 2026	Year ended March 31, 2025	Quarter ended 31.03.2026	Quarter ended 31.12.2025	Quarter ended 31.03.2025	Year ended March 31, 2026	Year ended March 31, 2025
	(audited)	(un-audited)	(audited)	(audited)	(audited)	(audited)	(un-audited)	(audited)	(audited)	(audited)
1. Segment revenue										
a) Export	-	-	-	-	-	-	-	-	-	-
b) Import	-	-	-	-	-	-	-	-	-	-
c) Domestic	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Less -Inter-segment revenue	-	-	-	-	-	-	-	-	-	-
Revenue from operations	-	-	-	-	-	-	-	-	-	-
2. Segment results - Profit /(Loss) before tax and interest from each segment										
a) Export	-	-	-	-	-	-	-	-	-	-
b) Import	-	-	-	-	-	-	-	-	-	-
c) Domestic	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Less:(i) Finance cost	53.84	53.80	52.42	203.49	201.18	53.84	53.80	52.42	203.49	201.18
(ii) Other unallocable expenditure net off Unallocable income	(1,408.93)	(1,475.04)	(1,447.77)	(65,826.33)	(5,087.77)	(1,392.69)	(1,471.80)	(1,415.41)	(66,089.61)	(4,990.10)
Profit before Tax	1,355.09	1,421.24	1,395.35	65,622.84	4,886.59	1,338.85	1,418.00	1,362.99	65,886.12	4,788.92
3. Segment Assets										
a) Export	9,272.64	9,483.13	9,108.50	9,272.64	9,108.50	9,272.64	9,483.13	9,108.50	9,272.64	9,108.50
b) Import	99,901.80	98,915.72	99,150.31	99,901.80	99,150.31	99,901.80	98,915.72	99,150.31	99,901.80	99,150.31
c) Domestic	-	-	-	-	-	-	-	-	-	-
d) Unallocated	1,11,948.75	1,11,206.01	1,27,739.39	1,11,948.75	1,27,739.39	1,12,090.17	1,11,550.37	1,27,871.82	1,12,090.17	1,27,871.82
Total	2,21,123.19	2,19,604.86	2,35,998.20	2,21,123.19	2,35,998.20	2,21,264.61	2,19,949.22	2,36,130.63	2,21,264.61	2,36,130.63
4. Segment Liabilities										
a) Export	10,607.55	10,492.80	10,443.41	10,607.55	10,443.41	10,607.55	10,492.80	10,443.41	10,607.55	10,443.41
b) Import	1,01,945.76	1,01,958.33	1,01,851.14	1,01,945.76	1,01,851.14	1,01,945.76	1,01,958.33	1,01,851.14	1,01,945.76	1,01,851.14
c) Domestic	-	-	-	-	-	-	-	-	-	-
d) Unallocated	47,591.72	47,821.03	1,27,932.47	47,591.72	1,27,932.47	5,03,505.16	5,03,921.16	5,84,100.20	5,03,505.16	5,84,100.20
Total	1,60,145.03	1,60,272.16	2,40,227.02	1,60,145.03	2,40,227.02	6,16,058.47	6,16,372.29	6,96,394.75	6,16,058.47	6,96,394.75

THE STATE TRADING CORPORATION OF INDIA LTD

Summarised Balance Sheet as at March 31, 2026

(Rs. Lacs)

Particulars	Note No	Standalone		Consolidated	
		As at Mar 31, 2026	As at Mar 31, 2025	As at Mar 31, 2026	As at Mar 31, 2025
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	2.08	4.17	2.08	4.17
(b) Financial Assets :				-	-
(i) Investments	8	1.04	1.04	1.04	1.04
(ii) Trade receivables	9	1,07,194.23	1,06,982.54	1,07,194.23	1,06,982.54
(iii) Cash & cash equivalents	16	4.44	4,031.75	14.49	4,033.86
(iv) Bank Balances other than (iii) above	17	-	-	17.96	17.96
(v) Loans	10	226.40	276.09	226.63	276.49
(vi) Other Financial Assets	11	17,416.20	29,347.61	17,420.72	29,352.14
(c) Tax Assets (Net)	13	1,109.04	902.66	1,145.55	939.03
(d) Other Current Assets	14	8,368.05	7,650.63	8,439.36	7,720.84
(e) Deferred tax assets (net)		-	-	-	-
(f) Assets held for Sale / Disposal		86,801.71	86,801.71	86,802.55	86,802.56
Sub total		**2,21,123.19**	**2,35,998.20**	**2,21,264.61**	2,36,130.63
Total Assets		**2,21,123.19**	**2,35,998.20**	**2,21,264.61**	2,36,130.63
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share Capital	18	6,000.00	6,000.00	6,000.00	6,000.00
(b) Other Equity	19	54,978.16	(10,228.82)	(4,00,793.86)	(4,66,264.12)
Sub total		**60,978.16**	**(4,228.82)**	**(3,94,793.86)**	(4,60,264.12)
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		-	-	-	-
rrent liabilities					
(a) Financial Liabilities					
(i) Borrowings	20	176.10	80,623.24	1,17,466.28	1,98,125.94
(ii) Trade payables -MSME		-	-	-	-
(iii) Trade payables -Others	21	1,09,879.53	1,09,654.70	1,10,006.98	1,09,778.77
(iv) Other Financial Liabilities	22	34,866.80	34,484.59	3,73,223.06	3,72,865.05
(b) Provisions	23	14,196.24	14,555.34	14,191.43	14,592.12
(c) Other current liabilities	24	1,026.36	909.15	1,150.72	1,032.87
Sub total		**1,60,145.03**	**2,40,227.02**	**6,16,058.47**	6,96,394.75
Total Equity and Liabilities		2,21,123.19	**2,35,998.20**	**2,21,264.61**	2,36,130.63

Notes:-

1) 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 06.04.2021, 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.

2) The consolidated financial results for the period ended 31st March 2026 were approved by the Board of Directors in its meeting held on 25.08.2026

3) STC has paid Rs. 200 crore in OTS to Lead banker Canara Bank after signing of the Debt Settlement Agreement (DSA) and No dues certificate /Settlement Certificate issued jointly by all the six lender banks on 11.07.2025 in order to complete the One time settlement (OTS) with the lender Banks. Further, The case filed by Lead banker Canara Bank in DRT (case no. TA/18/2022) has been withdrawn on 15.07.2025. The status of completion of OTS and withdrawal of case in DRT has also been informed to MOC&I. The accounting effect of OTS has been taken in the quarter ended 30.09.2025 , which has resulted in profit of Rs. 606.23 crore and has been shown under exceptional items.

4) Trade receivable of Rs. 1,69,921.85 lacs includes Rs. 62,727.62 lacs having credit impairment.

FRN-005223C

CHARTERED ACCOUNTANTS

5) Demand of Rs. 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 Rs. 8,540 lacs has been created in the books of accounts for the F.Y. 2021-22. Further, STC through its various letters has been regularly following up with L&DO for providing details of outstanding dues and the latest reminder letter dated 28.04.2026 has been issued by STC requesting L&DO to provide details of outstanding dues, as on date and the reply is still awaited.

6) 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-progess, 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 per valuation of STC's immovable porperties, fair value as on 30.09.2023 based on current title is : JVB - Rs 81,145 lacs, STCHC- Rs 48,267 lacs & Others - Rs 26,188 lacs. An impairment of Rs 318 lacs charged from revaluation reserve during the FY 2023-24.

7) STC could not comply with Regulation 17,18,19,20 & 21 of SEBI (LODR), 2015 due to non appointment of Independent Directors on the Board of STC and Regulation 33 due to non-submission of consolidated annual financial results 2025-26 and results for the quarter ended on 30th June, 2026 in stipulated time due to insufficient number of member on board of STC & non-receipt of financial results from STC's wholly owned subsidiary company i.e. STCL Limited respectively. Consequently, both the stock exchanges i.e BSE and NSE levied a cumulative fine of ₹ 148.73 Lakhs (approx) on STC for non-compliance of Reg 17,18,19,20,21,33 & 34 of SEBI (LODR) Regulation, 2015 during 2025-26 (upto March' 2026). STC has taken up the matter regarding the said non-compliances with its Administrative Ministry i.e. Ministry of Commerce and Industry and also with the Stock Exchanges to avoid/waive off the penalties imposed in this regard. Based on precedence, STC is hopeful of getting waiver, hence no provision (being of contingent nature) has been made.

8) In the case of ICICI Bank Ltd. (Bank of Rajasthan Ltd.) v. The State Trading Corporation of India Ltd. & Ors related to M/s Rajat Pharmaceuticals Ltd., As per order dated 11.06.2025 passed by the Hon'ble Debts Recovery Tribunal-II, Delhi, M/s Rajat Pharmaceuticals Ltd & STC as respondent no - 2 have been jointly severely been directed to deposit a sum of Rs. 2,655 lacs within 30 days from the date of order. However, STC has challenged the DRT, Delhi order and has filed an appeal before DRAT, Delhi.The appeal was heard and DRAT vide order dtd 21.04.2026 directed STC to deposit 40% of the amount as pre-deposit. STC on 20.05.2026 deposited Rs 1062 lacs with DRAT, hence no provision (being of contingent nature) has been made. The next date of hearing is 23.10.2026

9) The Govt. of India has notified four new Labour Codes subsuming 29 existing labour legislations with effect from 21.11.2025. The detailed rules have been notified in May, 2026. The management is in the process of evaluating the financial implications of new labour codes on account of revised definition of wages and fixed term employment. The financial impact on the company on this account shall be accounted for in the next financial year.

10) Figures of last quarter are the balancing figures between audited figures in respect of the full financial year & the published year to date figure upto the third Quarter of the current financial year. Amount in the financial statements are presented in Rs lacs (upto two decimals) except for per share data and as otherwise stated. Certain small amounts may not appear in financial statements due to rounding off in Rs lacs. Previous year's figures have been regrouped/rearranged wherever considered necessary. Regrouping / rearrangement of data is for specific purpose of presentation in financial statements only and do not affect legal status of STC. STC reserves all its rights under the applicable laws.

As per our report of even date attached
For P V A R & Associates
Chartered Accountants
Firm Reg. No. 005223C

(CA Ruchi Agarwal)
Partner
M. No. 504134

P V A R & ASSOCIATES FRN-005223C CHARTERED ACCOUNTANTS

Place: New Delhi
Dated: 25.08.2026

(Nitin Kumar Yadav)
CMD
DIN -03104045

(B.S. Rao)
CFO

(Raghvendra Singh)
Director- Fin
DIN - 11788427

(Ritu Bhatia)
Company Secretary
A18344

THE STATE TRADING CORPORATION OF INDIA LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2026

(Rs. Lacs)

	Particulars	For the Year Ended 31st March, 2026		For the Year Ended 31st March, 2025	
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**				
	Net Profit /(Loss) Before Tax		65,622.84		4,886.59
	Adjustment for:				
	-Interest on loans	-		-	
	-Depreciation	-		-	
	-Net write back of Debts/Advances/claims/Liabilities/Assets	(60,618.45)		9.63	
	-Income/Expenditure relating to let out property	(8,759.44)		(10,466.37)	
	- Interest Income on fixed deposits/Investments	(667.24)		(1,695.84)	
	-Loss on sale of asset	-		-	
	-Profit on sale of assets	-	(70,045.13)	(3.51)	(12,156.09)
	Operating Profit Before Working Capital Changes		(4,422.29)		**(7,269.50)**
	Adjustment for:				
	-Trade and other receivables		11,002.30		(16,521.82)
	-Inventories		2.09		0.53
	-Trade and other payables		(724.25)		6,295.27
	Changes in Working Capital		**5,857.85**		**(17,495.52)**
	Income Tax Paid / (refund)		690.14		(481.22)
	Net Cash Generated/Used in Operating Activities (A)		**5,167.71**		**(17,014.30)**
B	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	-Purchase of Fixed Assets		-		-
	-Sale of Fixed Assets		-		10.02
	-Proceeds Received from T-Bills/Deposits		(11,094.55)		77.18
	-Interest received		667.24		1,695.84
	-Let out properties (net)		8,759.44		10,466.37
	Net Cash From Investing Activities (B)		**(1,667.87)**		**12,249.41**
C	**CASH FLOW FROM FINANCING ACTIVITIES :**				
	-Increase in loans		(19,823.90)		-
	-Interest Paid		-		-
	Net Cash From Financing Activities (C)		**(19,823.90)**		-
	Net Increase/Decrease in Cash And Cash Equivalents (A+B+C)		**(16,324.06)**		**(4,764.89)**
	Reconciliation of Cash & Cash Equivalents				
	Closing Cash & Bank Balances as per Balance Sheet		7,645.56		23,969.62
	Opening Cash & Bank Balances as per Balance Sheet		23,969.62		28,734.51
	Cash & Bank Balances as per Cash Flow Statement		**(16,324.06)**		(4,764.89)
	Cash & cash equivalents as per Balance Sheet*		7,645.56		23,969.62
	Less : Non readily convertible Bank Deposits		7,641.12		19,937.87
	Cash & cash equivalents as per cash flow statement		4.44		4,031.75
	Cash & cash equivalents includes unpaid dividend		-		-

Significant Accounting Policies and the accompanying notes 1 to 59 form an integral part of accounts.

As per our report of even date attached
For P V A R & Associates
Chartered Accountants
Firm Reg. No. 005223C

(Nitin Kumar Yadav)
CMD
DIN -03104045

(Raghvendra Singh)
Director- Fin
DIN - 11788427

(CA Ruchi Agarwal)
Partner
M. No. 504134
Place: New Delhi
Dated: 25.08.2026

P V A R & ASSOCIATES
FRN-005223C
CHARTERED ACCOUNTANTS

(Ritu Bhatia)
Company Secretary
ACS -A18344

(B S Rao)
CFO

THE STATE TRADING CORPORATION OF INDIA LTD.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2026

(Rs. Lacs)

	Particulars	For the Year Ended 31st March, 2026		For the Year Ended 31st March, 2025	
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**				
	Net Profit /(Loss) Before Tax		65,886.12		4,788.92
	Adjustment for:				
	-Interest on loans	-			
	-Depreciation	-		-	
	-Net write back of Debts/Advances/claims/Liabilities/Assets	(60,974.95)		9.63	
	-Income/Expenditure relating to let out property	(8,759.44)		(10,466.37)	
	- Interest Income on fixed deposits/Investments	(668.13)		(1,697.04)	
	-Loss on sale of asset	-		-	
	-Profit on sale of assets	-	(70,402.52)	(3.51)	(12,157.29)
	Operating Profit Before Working Capital Changes		**(4,516.40)**		**(7,368.37)**
	Adjustment for:				
	-Trade and other receivables		11,357.73		(16,523.88)
	-Inventories		2.09		0.53
	-Trade and other payables		(978.52)		6,332.08
	Changes in Working Capital		5,864.90		(17,559.66)
	Income Tax Paid		690.14		(481.22)
	Net Cash Generated/Used In Operating Activities (A)		5,174.76		(17,078.44)
B	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	-Purchase of Fixed Assets		-		-
	-Sale of Fixed Assets		-		10.02
	-Proceeds Received from T-Bills/Deposits		(11,094.55)		77.18
	-Interest received		668.13		1,697.04
	-Let out properties (net)		8,759.44		10,466.37
	Net Cash From Investing Activities (B)		**(1,666.98)**		**12,250.61**
C	**CASH FLOW FROM FINANCING ACTIVITIES :**				
	-Increase in loans		(19,823.90)		-
	-Interest Paid		-		-
	Net Cash From Financing Activities (C)		**(19,823.90)**		-
	Net Increase/Decrease in Cash And Cash Equivalents (A+B+C)		**(16,316.12)**		**(4,827.83)**
	Reconciliation of Cash & Cash Equivalents				
	Closing Cash & Bank Balances as per Balance Sheet		7,655.61		23,971.73
	Opening Cash & Bank Balances as per Balance Sheet		23,971.73		28,799.56
	Cash & Bank Balances as per Cash Flow Statement		**(16,316.12)**		**(4,827.83)**
	Cash & cash equivalents as per Balance Sheet		7,655.61		23,971.73
	Less : Non readily convertible Bank Deposits		7,641.12		19,937.88
	Cash & cash equivalents as per cash flow statement		14.49		4,033.85
	Cash & cash equivalents includes unpaid dividend				

Significant Accounting Policies and the accompanying notes 1 to 70 form an integral part of accounts.

As per our report of even date attached
For P V A R & Associates
Chartered Accountants
Firm Reg. No. 005223C

(CA Ruchi Agarwal)
Partner
M. No. 504134
Place: New Delhi
Dated: 25.08.2026

(Nitin Kumar Yadav)
CMD
DIN -03104045

(Raghvendra Singh)
Director- Fin
DIN - 11788427

(Ritu Bhatia)
Company Secretary
ACS -A16344

(B S Rao)
CFO

COMPLIANCE CERTIFICATE

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

The Board of Directors of
The State Trading Corporation of India Ltd.

We B. Srinivas Rao, CFO and Nitin Kumar Yadav, CMD certify that:

A. We have reviewed Standalone & Consolidated financial statements and the Standalone & Consolidated cash flow statement for the year ended 31.03.2026 and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact statements that might be misleading;

2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Board that:

1. There has not been any significant change in the internal control over financial reporting during the year under reference.

2. There has been an addition to the Consolidated Accounting Policy pertaining to basis of consolidation of financial statements of Subsidiaries, Associated and Joint Ventures; and

3. There has not been any instances during the year of significant fraud except to the extent disclosed in notes to the accounts, of which we had become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting

B.S.Rao
(CFO)

Nitin Kumar Yadav
(CMD)

Place: New Delhi
Date: 25.08.2026

TO WHOMSOEVER IT MAY CONCERN

To the best of our knowledge and based on subject to compliance certificate the standalone & consolidated audited financial results for the year ended 31.03.2026 do not contain any false or misleading statement or figures and do not omit any material fact which may make the statement or figures contained therein misleading.

B.S.Rao
(CFO)

Nitin Kumar Yadav
(CMD)

Place: New Delhi
Date : 25.08.2026

DECLARATION

In terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) (Amendment) Regulations, 2016 read with SEBI Circular No. CIR/CFD/CMD/56/2016 dated May 27th, 2016, we hereby declare that PVAR & Associates, Chartered Accountants, (Firm Regn. No. 005223C), the Statutory Auditors of the company have given the Audit report with unmodified opinion on the financial results of the Company for the period ended 31st March, 2026 (both standalone and consolidated).

For STC of India Ltd.

(B S Rao)
Chief Financial Officer

Date: 25.08.2026

THE STATE TRADING CORPORATION OF INDIA LIMITED

Form AOC-1

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

Part "A" Subsidiaries

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

As at March 31, 2026

(Rs. 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	-455922.01
6	Total Assets	143.43
7	Total Liabilities	455915.44
8	Investments	-
9	Turnover	-
10	Profit before taxation	263.28
11	Provision for taxation	0
12	Profit after taxation	263.28
13	Proposed Dividend	-
14	% of Shareholding	100

Notes:-

1	Name of the subsidiaries which are yet to commence operations	Nil
2	Name of the subsidiaries which have been liquidated or sold during the year	Nil

Part "B" : Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

As at March 31, 2026

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 (Rs.)	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. & Indoplrin 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 P V A R & Associates
Chartered Accountants
Firm Reg. No. 005223C

(CA Ruchi Agarwal)
Partner
M. No. 504134
Place: New Delhi
Dated: 28.08.2026

(Nitin Kumar Yadav)
CMD
DIN -03104045

(Raghvendra Singh)
Director- Fin
DIN - 11788427

(Rita Bhatia)
Company Secretary
ACS -A18344

(B S Rao)
CFO

Other Information- Integrated Filing (Financial)		
For the Financial Year ended 31.03.2026		
Sl. No.		
B.	Statement of deviation or variation for prceeds of public issue, Rights issue, preferential issue , Qalified institutions placement etc.	Not Applicable
C.	Disclosure of outstanding default on loans and debt securities	STC has paid Rs. 200 crore in OTS to Lead banker Canara Bank after signing of the Debt Settlement Agreement (DSA) and No dues certificate /Settlement Certificate issued jointly by all the six lender banks on 11.07.2025 in order to complete the One time settlement (OTS) with the lender Banks. Further, The case filed by Lead banker Canara Bank in DRT (case no. TA/18/2022) has been withdrawn on 15.07.2025. The status of completion of OTS and withdrawal of case in DRT has also been informed to MOC&I. The accounting effect of OTS has been taken in the quarter ended 30.09.2025 , which has resulted in profit of Rs. 606.23 crore and has been shown under exceptional items.
D.	Format for disclosure of Related Party Transactions (applicabe only for half-yearly filings)	Enclosed
E.	Statement on impact of Audit Qualifications (For Audit Report with Modified Opinion) Submitted along with annual audited financial results - (Standalone Not Applicable and Consolidated separately) (applicable only for annual filing i.e. 4 th quarter)	Enclosed

Place: New Delhi
Date: 25.08.2026

B.S. Rao
CFO

Additional disclosure of related party transactions - applicable only in case the related party transaction relates to loans, inter-corporate deposits, advances or investments made or given by the listed entity/subsidiary. These details need to be disclosed only once, during the reporting period when such transaction was undertaken.

S. No	Details of the party (listed entity /subsidiary) entering into the transaction		Details of the counterparty		Type of related party transaction (see Note 5)	Value of the related party transaction as approved by the audit committee (see Note 6a)	Value of transaction during the reporting period (see Note 6b)	In case monies are due to either party as a result of the transaction (see Note 1)		In case any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments			Details of the loans, inter-corporate deposits, advances or investments				
	Name	PAN	Name	Relationship of the counterparty with the listed entity or its subsidiary				Opening balance	Closing balance	Nature of indebtedness (loan/ issuance of debt/ any other etc.)	Cost (see Note 7)	Tenure	Nature (loan/ advance/ inter-corporate deposit/ investment	Interest Rate (%)	Tenure	Secured/ unsecured	Purpose for which the funds will be utilised by the ultimate recipient of funds (end-usage)
1	STC of India Ltd.																
			SBI Personalised Banking Branch	Tennant	Service		1,57,96,641										
			SBI IFB Branch	Tennant	Service		5,51,86,260										
			SBI CAG Branch	Tennant	Service		5,16,80,220										
			SBI Overseas Branch	Tennant	Service		7,75,53,000										
			Special Protection Group	Tennant	Service		21,37,061										
			Security Printing & Minting Corporation	Tennant	Service		14,07,000										
			IRCTC	Tennant	Service		9,94,598										
			Department of admist. Reform and Public gravience	Tennant	Service		9,70,46,062										
			Department of Economic Affairss	Tennant	Service		7,67,04,969										
			Commission of Air Quality Index	Tennant	Service		8,94,39,717										
			Capacity Building Commission	Tennant	Service		5,84,12,165										
			16th Finance Commission	Tennant	Service		3,43,86,906										
			Department of Expenditure (DOE)	Tennant	Service		78,22,285										
			Shri. S.K. Meena	KMP	Employee Benefit		17,43,759										
			Shri B.S Rao	KMP	Employee Benefit		13,70,877										
			Shri Vipin Kumar Tripathi	KMP	Employee Benefit		6,00,232										
			Ritu Bhatia	KMP	Employee Benefit		9,60,000										
			Total				57,32,41,752										

THE STATE TRADING CORPORATION OF INDIA LIMITED, NEW DELHI

ANNEXURE-1

Statement of impact of Audit Qualification for the Financial Year ended 31.03.2026 along with Annual Audited Financial Results - (Standalone)

(Rs. Lacs)

I	S.No.	Particulars	Audited Figures as reported before adjusting for qualifications	Audited Figures as reported after adjusting for qualifications
	1	Total Income	9,621.92	1,19,501.45
	2	Total Expenditure	4,617.53	1,19,846.49
	3	Net Profit/(Loss)	5,004.39	(345.04)
	4	Earning per share	108.68	(0.56)
	5	Total Assets	2,21,123.19	3,31,002.72
	6	Total Liabilities	1,80,145.03	2,75,373.99
	7	Net Worth (excluding Revaluation Reserve)	(27,164.14)	(32,513.57)
	8	Any other financial item (as felt appropriate by the management	Nil	

II	Audit qualification	
1	a. Details of Audit Qualification	i. 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 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 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 Rs. 11.67 lacs. It will also have consequential impact on the Statement of Profit and Loss account resulting into overstatement of profit by Rs. 11.67 lacs. Further the farm tanks installed at Mallet Bunder amounting to Rs. 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 Rs. 14.84 lacs. Further to this, reconciliation has been done at STC of its accounts with MBPT and determined that a net amount of Rs. 161 lacs are recoverable from MBPT after adjusting lease rent dues of Rs. 257 lacs against total recoveries of Rs. 419 lacs (comprising sale proceeds of STC surrendered assets by MBPT, EMD and deposits). This was communicated to MBPA for their confirmation through STC letter dated 29.10.2025, followed by reminders on 10.02.2026, 26.03.2026 and 21.05.2026. However, MBPT's confirmation is still awaited. Refer Note 57. Further, company has not amortized the value of the leasehold properties according to the IND AS 116 for the period expired till 31.03.2026 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.
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualificaiton	Repeat
	d. For Audit qualification, whether the impact is quantified by the audit, management's view	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/VyaparBhawan at Janpath, New Delhi for which lease deed is not yet executed in the name of the Company. 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. 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). 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 Tank farms, machinery way leave, pipelines and other assets will be adjusted against outstanding dues of STC. 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 mensem as per clause no. 24 of the lease agreement dated 30.07.1984 along with applicable GST. Accordingly, reconciliation has been done at STC of its accounts with MBPT and determined that a net amount of Rs. 161 lacs is recoverable from MBPT after adjusting lease rent dues of Rs. 257 lacs against total recoveries of Rs. 419 lacs (comprising sale proceeds of STC surrendered assets by MBPT, EMD and deposits). This was communicated to MBPT for their confirmation through STC letter dated 29.10.2025, followed by reminders on 10.02.2026, 26.03.2026 and 21.05.2026. Howeer, MBPT's confirmation is still awaited.
2	a. Details of Audit Qualification	ii. 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.
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualificaiton	Repeat

	d. For Audit qualification, whether the impact is quantified by the audit, management's view	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.
3	a. Details of Audit Qualification	All trade receivables amounting to 1,69,921.85 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 Rs. 62,727.62 lacs and another sum of Rs. 1,07,194.23 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 2025-26 and there is no major update of legal cases which are pending at various forums. Thus trade receivable are not 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 31.03.2026 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 1,69,921.85 lacs are considered doubtful of recovery resulting into short provision for doubtful debts amounting to Rs. 1,07,194.23 lacs. Thus the provision for bad and doubtful debts has been understated by Rs. 1,07,194.23 lacs and consequential impact on the statement of profit and Loss account resulting into overstatement of profit by Rs. 1,07,194.23 lacs. Further in case of M/s Rajat Pharmaceuticals Ltd (RPL), under note no.39, Pt.No.4, 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.52786 lacs has been admited by the liquidator of one of the foreign buyer's i.e. Loben Trading Co. Pte. Ltd, Singapore. A Decree of Rs 5247 lacs 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. 47647 lacs. In the case of ICICI Bank Ltd. (Bank of Rajasthan Ltd.) v. The State Trading Corporation of India Ltd. & Ors related to M/s Rajat Pharmaceuticals Ltd., As per final order dated 11.06.2025 passed by the Hon'ble Debts Recovery Tribunal-II, Delhi, STC has been directed to deposit a sum of Rs. 2,655 lacs within 30 days from the date of order. However, STC has challenged the DRT, Delhi Award and has filed an appeal before DRAT, Delhi on 25.07.2025. A conference was held with senior advocate and AOR along with STC officials on 02.02.2026 wherein it was informed by advocate that an important requirement is STC must deposit a portion of the debt due with the DRAT as a pre-deposit, usually 50% of the award along with the interest. DRAT vide order dtd 21.04.2026, directed STC to deposit 40% of the amount as pre deposit within 30 days. STC on 20.05.2026, deposited DD of Rs 10.62 cr with DRAT as pre deposit. Next date of hearing in the matter is 13.08.2026. STC has filed non-money claim suit before different Courts at Delhi & Mumbai for declaring Bills of Exchanges of STC as null and void and unenforceable against STC which were conditionally accepted by STC on back-to-back basis i.e. STC will make payment to Rajat/Banks only upon receipt of export proceeds from the foreign buyers. STC had filed 272 Criminal Complaints u/s 138 of N.I Act in New Delhi in 2009 which were transferred from MM Court, Patiala House District Court, New Delhi to the 33rd MM Court, Ballard Pier, Mumbai. Now the matters have been again transferred to M.M. Court, Mazgaon, Bombay. STC is claiming an amount or Rs.45,635 lacs from M/s Rajat towards cheque bounce. Cases are at the stage of issuing of summons/arguments on issuing of summons. 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.
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualification	Repeat
	d. For Audit qualification, whether the impact is quantified by the audit, management's view	Out of the total trade receivable of Rs. 1,69,921.85 lacs includes Rs. 1,07,194.23 lacs "having significant increase in credit risk" 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. However, Trade debtors & Creditors include various matters which are subjudice. The amounts are not material in nature. The effect if any shall be given at the time of final eventuality of the cases. Trade receivables include 56,644 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 buyer's 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 5,247 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/High Court Mumbai making STC also a party to the case claiming 47,047 Lacs. In the case of ICICI Bank Ltd. (Bank of Rajasthan Ltd.) v. The State Trading Corporation of India Ltd. & Ors related to M/s Rajat Pharmaceuticals Ltd., As per final order dated 11.06.2025 passed by the Hon'ble Debts Recovery Tribunal-II, Delhi, STC has been directed to deposit a sum of Rs. 2,655 lacs within 30 days from the date of order. However, STC has challenged the DRT, Delhi Award and has filed an appeal before DRAT, Delhi on 25.07.2025. A conference was held with senior advocate and AOR along with STC officials on 02.02.2026 wherein it was informed by advocate that an important requirement is STC must deposit a portion of the debt due with the DRAT as a pre-deposit, usually 50% of the award along with the interest. DRAT vide order dtd 21.04.2026, directed STC to deposit 40% of the amount as pre deposit within 30 days. STC on 20.05.2026, deposited DD of Rs 10.62 cr with DRAT as pre deposit. Next date of hearing in the matter is 23.10.2026. STC has filed non-money claim suit before different Courts at Delhi & Mumbai for declaring Bills of Exchanges of STC as null and void and unenforceable against STC which were conditionally accepted by STC on back to back basis i.e STC will make payment to Rajat/Banks only upon receipt of export proceeds from the foreign buyers. STC had filed 272 Criminal Complaints u/s 138 of N.I Act in New Delhi in 2009 which were transferred from MM Court, Patiala House District Court, New Delhi to the 33rd MM Court, Ballard Pier, Mumbai. Now the matters have been again transferred to M.M. Court, Mazgaon, Bombay. STC is claiming an amount or Rs.45,635 lacs from M/s Rajat towards cheque bounce. Cases are at the stage of issuing of summons/arguments on issuing of summons.
4	a. Details of Audit Qualification	Currently, as per books of accounts, USD 3,149.35 lacs and Euros 20.90 lacs is receivable from its foreign buyers and USD 41.49 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 2025-26. 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.
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualification	Repeat
	d. For Audit qualification, whether the	Matters are subjudice considering materiality concept.

5	a. Details of Audit Qualification	i. Refer Note No. 14 -"Other Current Assets for non-provisioning in respect of Duties and taxes recoverable, CST (coal) amounting to Rs. 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 more than 3 years amounting to Rs. 3192.14 lacs where no present status is 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 Rs. 3192.14 lacs and overstatement of profit by Rs. 3192.14 lacs.
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualificaiton	Repeat
	d. For Audit qualification, whether the	Pending with various department and authorities
6	a. Details of Audit Qualification	Refer Note No. 38, for 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. 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. Profits are overstated and liabilities are understated by the amount yet to be ascertained by Management. The CAG conducted "Transaction Audit" during the FY 2025-2026 has intimated that non-payment to L&DO in respect of various charges in violation of the agreement has resulted into avoidable / accumulation of interest of ₹ 102.48 crore towards interest (calculated @ 10 % p.a. on ₹132.83 crore from 14 July 2018 up to 31 March 2026) which will further cumulate till final payment to L&DO. Details of further updated demand, if any, received from L&DO were not found available in the records. 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 March 2026, 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.
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualificaiton	Repeat
	d. For Audit qualification, whether the impact is quantified by the audit, management's view	Demand of Rs. 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 CAinterG audit, the firm liability of Rs. 8,540 lacs has been created in the books of accounts for the F.Y. 2021-22. Further, STC through its various letters has been regularly following up with L&DO for providing details of outstanding dues and the latest reminder letter dated 28.04.2026 has been issued by STC requesting L&DO to provide details of outstanding dues, as on date and the reply is still awaited.
7	a. Details of Audit Qualification	Refer Note No.21, All the trade payables amounting to Rs. 1,09,879.53 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 buyer. Thus, the management has not accorded any treatment to these trade payables and to that extent, liabilities are overstated.
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualificaiton	Repeat
	d. For Audit qualification, whether the	Matters are subjudice
8	a. Details of Audit Qualification	Refer Note No.14, The GST input receivable and payable balances are not reconciled by the Company as on March 31,2026. GST input Rs 54.97 lacs - non claimable but no provision has been made. Profit of the company is overstated by the same amount. 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 11.22 lacs pending, submission of correction statements.
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualificaiton	Repeat
	d. For Audit qualification, whether the impact is quantified by the audit, management's view	GSTNs & TANs of Representative office are under the process of surrender, accordingly the liability will be settled. Matter pertaining to Corporate Office will be taken up in FY - 2026-27.
9	a. Details of Audit Qualification	8. Investments (Refer Note No.8) • STCL Limited (Subsidiary Company) : As confirmed by STC management "STCL Accounts for the FY 2025-26 signed by GM-STCL were received in August 2026. Board Meeting of STCL for approving the accounts for financial year 2025-26 is yet to take place." The availability/recovery of asset and/or write off could not be ascertained by the management. • NSS Satpura Agro Development Company Ltd. (Joint Venture) : The company has been strike off as per MCA site. However, still it is appearing in the books of accounts of STC India Limited. The availability/recovery of asset and/or write off could not be ascertained by the management. • Sea Lac Agro Ventures Limited: The latest financials of the JV are not available for verification. The availability/recovery of asset and/or write off could not be ascertained by the management. • Maharashtra Small Scale Industries Development: The latest financials of the JV are not available for verification. The availability/recovery of asset and/or write off could not be ascertained by the management. • Andhra Pradesh Trade Promotion Corporation Limited: The latest financials of the JV are not available for verification. The availability/recovery of asset and/or write off could not be ascertained by the management. • Sindhu Resettlement: The latest financials of the JV are not available for verification. The availability/recovery of asset and/or write off could not be ascertained by the management.
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualification	Repeat
	d. For Audit qualification, whether the impact is quantified by the audit, management's view	Effective treatment w.r.t NSS Satpura Agro Development Company Ltd. shall be given in F.Y. 2026-27. Investment in Sindhu Resettlement has been shown at a nominal value of 0.04 lacs. Rest all the investments have been fully provided for.
10	a. Details of Audit Qualification	Other Equity:(Refer note no -19) An amount of "Exchange Fluctuation Reserves: Rs.649.53 lacs" & "Bonus Reserve: Rs.0.33 lacs" are appearing in the books of accounts since long. As confirmed by management, these res[illegible] long back and details shall be provided in next financial year. We are unable to ascertain its possible impact, [illegible] financial statements of the Company.
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualification	Repeat

	d. For Audit qualification, whether the impact is quantified by the audit, management's view	Earmarked reserves created in previous years. The same shall be reviewed in F.Y. 2026-27.
11	a. Details of Audit Qualification	i. Refer Note No. 24, customer at credit includes amount payable to U.P. Government amounting to Rs.603 lacs. As informed by the management, the company has made various other claims on U.P Government and accordingly dues of Rs. 3382.23 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 company 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.
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualification	Repeat
	d. For Audit qualification, whether the impact is quantified by the audit, management's view	Includes an amount payable of Rs. 603 lacs to U.P. Government is adjustable against claims of interest and carrying charges amounting to Rs 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. Last AMRCD meeting was held on 14.11.2025 wherein AMRCD committee had directed to carry out the reconciliation between STC and UPGEWC. The reconciliation is not yet concluded, UP Govt. from time to time has sought exhaustive set of records / documents from STC which have been sent to them. Last communication from STC to UPGEWC was sent on 05.02.2026.
	Signatories	
>	CMD	
>	CFO	
>	Audit Committee Chairman	Vacant
>	Statutory Auditor - PVAR & Associates	

PVAR & ASSOCIATES
FRN-005223C
CHARTERED ACCOUNTANTS

THE STATE TRADING CORPORATION OF INDIA LIMITED, NEW DELHI

Statement of Impact of Audit Qualification for the Financial Year ended 31.03.2026 along with Annual Audited Financial Results - (Consolidated)

(Rs. Lacs)

I	S.No.	Particulars	Audited Figures as reported before adjusting for qualifications	Audited Figures as reported after adjusting for qualifications
	1	Total Income	9,622.81	1,19,629.79
	2	Total Expenditure	4,711.64	1,19,940.60
	3	Net Profit/(Loss)	4,911.17	(310.81)
	4	Earning per share	109.12	(0.52)
	5	Total Assets	2,21,264.61	3,31,271.59
	6	Total Liabilities	6,16,056.47	7,31,287.43
	7	Net Worth (excluding Revaluation Reserve)	(4,88,936.16)	(4,94,158.14)
	8	Any other financial item (as felt appropriate by the management	Nil	

II	Audit qualification	
1	a. Details of Audit Qualification	i. 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 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 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 Rs. 11.67 lacs. It will also have consequential impact on the Statement of Profit and Loss account resulting into overstatement of profit by Rs. 11.67 lacs. Further the farm tanks installed at Mallet Bunder amounting to Rs. 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 Rs. 14.84 lacs. Further to this, reconciliation has been done at STC of its accounts with MBPT and determined that a net amount of Rs. 161 lacs are recoverable from MBPT after adjusting lease rent dues of Rs. 257 lacs against total recoveries of Rs. 419 lacs (comprising sale proceeds of STC surrendered assets by MBPT, EMD and deposits). This was communicated to MBPA for their confirmation through STC letter dated 29.10.2025, followed by reminders on 10.02.2026, 26.03.2026 and 21.05.2026. However, MBPT's confirmation is still awaited. Refer Note 57. Further, company has not amortized the value of the leasehold properties according to the IND AS 116 for the period
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualification	Repeat
	d. For Audit qualification, whether the impact is quantified by the audit, management's view	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. 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. 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). 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 Tank farms, machinery way leave, pipelines and other assets will be adjusted against outstanding dues of STC. 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 mensem as per clause no. 24 of the lease agreement dated 30.07.1984 along with applicable GST. Accordingly, reconciliation has been done at STC of its accounts with MBPT and determined that a net amount of Rs. 161 lacs is recoverable from MBPT after adjusting lease rent dues of Rs. 257 lacs against total recoveries of Rs. 419 lacs (comprising sale proceeds of STC surrendered assets by MBPT, EMD and deposits). This was communicated to MBPT for their confirmation through STC letter dated 29.10.2025, followed by reminders on 10.02.2026, 26.03.2026 and 21.05.2026. However, MBPT's confirmation is still awaited.

2	a. Details of Audit Qualification	ii. 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.
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualificaiton	Repeat
	d. For Audit qualification, whether the impact is quantified by the audit, management's view	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.
3	a. Details of Audit Qualification	All trade receivables amounting to 1,69,921.85 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 Rs. 62,727.62 lacs and another sum of Rs. 1,07,194.23 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 2025-26 and there is no major update of legal cases which are pending at various forums. Thus trade receivable are not 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 31.03.2026 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 1,69,921.85 lacs are considered doubtful of recovery resulting into short provision for doubtful debts amounting to Rs. 1,07,194.23 lacs. Thus the provision for bad and doubtful debts has been understated by Rs. 1,07,194.23 lacs and consequential impact on the statement of profit and Loss account resulting into overstatement of profit by Rs. 1,07,194.23 lacs. Further in case of M/s Rajat Pharmaceuticals Ltd (RPL), under note no.39, Pt.No.4, 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.52786 lacs 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 6247 lacs 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. 47647 lacs. In the case of ICICI Bank Ltd. (Bank of Rajasthan Ltd.) v. The State Trading Corporation of India Ltd. & Ors related to M/s Rajat Pharmaceuticals Ltd., As per final order dated 11.06.2025 passed by the Hon'ble Debts Recovery Tribunal-II, Delhi, STC has been directed to deposit a sum of Rs. 2,655 lacs within 30 days from the date of order. However, STC has challenged the DRT, Delhi Award and has filed an appeal before DRAT, Delhi on 25.07.2025. A conference was held that an important requirement is STC must deposit a portion of the debt due with the DRAT as a pre-deposit, usually 50% of the award along with the interest. DRAT vide order dtd 21.04.2026, directed STC to deposit 40% of the amount as pre deposit within 30 days. STC on 20.05.2026, deposited DD of Rs 10.62 cr with DRAT as pre deposit. Next date of hearing in the matter is 13.08.2026. STC has filed non-money claim suit before different Courts at Delhi & Mumbai for declaring Bills of Exchanges of STC as null and void and unenforceable against STC which were conditionally accepted by STC on back-to-back basis i.e. STC will make payment to Rajat/Banks only upon receipt of export proceeds from the foreign buyers. STC had filed 272 Criminal Complaints u/s 138 of N.I Act in New Delhi in 2009 which were transferred from MM Court, Patiala House District Court, New Delhi to the 33rd MM Court, Ballard Pier, Mumbai. Now the matters have been again transferred to M.M. Court, Mazgaon, Bombay. STC is claiming an amount or Rs.45,635 lacs from M/s Rajat towards cheque bounce. Cases are at the stage of issuing of summons/arguments on issuing of summons. 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.
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualificaiton	Repeat
	d. For Audit qualification, whether the impact is quantified by the audit, management's view	Out of the total trade receivable of Rs. 1,69,921.85 lacs includes Rs. 1,07,194.23 lacs "having significant increase in credit risk" 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. However, Trade debtors & Creditors include various matters which are subjudice. The amounts are not material in nature. The efeect if any shall be given at the time of final eventuality of the cases. 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 buyer's 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 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/High Court Mumbai making STC also a party to the case claiming 47,647 Lacs.

4	a. Details of Audit Qualification	Currently, as per books of accounts, USD 3,149.35 lacs and Euros 20.90 lacs is receivable from its foreign buyers and USD 41.49 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 2025-26. 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.
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualificaiton	Repeat
	d. For Audit qualification, whether the impact is quantified by the audit, management's view	Matters are subjudice considering materiality concept.
5	a. Details of Audit Qualification	i. Refer Note No. 14 -"Other Current Assets for non-provisioning in respect of Duties and taxes recoverable, CST (coal) amounting to Rs. 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 more than 3 years amounting to Rs. 3192.14 lacs where no present status is 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 Rs. 3192.14 lacs and overstatement of profit by Rs. 3192.14 lacs.
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualificaiton	Repeat
	d. For Audit qualification, whether the	Pending with various department and authorities
6	Details of Audit Qualification	Refer Note No. 38, for 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. 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. Profits are overstated and liabilities are understated by the amount yet to be ascertained by Management. The CAG conducted "Transaction Audit" during the FY 2025-2026 has intimated that non-payment to L&DO in respect of various charges in violation of the agreement has resulted into avoidable / accumulation of interest of ₹ 102.48 crore towards interest (calculated @ 10 % p.a. on ₹132.83 crore from 14 July 2018 up to 31 March 2026) which will further cumulate till final payment to L&DO. Details of further updated demand, if any, received from L&DO were not found
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualificaiton	Repeat
	d. For Audit qualification, whether the impact is quantified by the audit, management's view	Demand of Rs. 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 CAinterG audit, the firm liability of Rs. 8,540 lacs has been created in the books of accounts for the F.Y. 2021-22. Further, STC through its various letters has been regularly following up with L&DO for providing details of outstanding dues and the latest reminder letter dated 28.04.2026 has been issued by STC requesting L&DO to provide details of outstanding dues, as on date and the reply is still awaited.
7	a. Details of Audit Qualification	Refer Note No.21, All the trade payables amounting to Rs. 1,09,879.53 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 buyer. Thus, the management has not accorded any treatment to these trade payables and to that extent, liabilities are overstated.
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualificaiton	Repeat
	or Audit qualification, whether the	Matters are subjudice
8	a. Details of Audit Qualification	Refer Note No.14, The GST input receivable and payable balances are not reconciled by the Company as on March 31,2026. GST input Rs 54.97 lacs - non claimable but no provision has been made. Profit of the company is overstated by the same amount. 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 11.22 lacs pending, submission of correction statements.
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualificaiton	Repeat
	d. For Audit qualification, whether the impact is quantified by the audit, management's view	GSTNs & TANs of Representative office are under the process of surrender, accordingly the liability will be settled. Matter pertaining to Corporate Office will be taken up in FY - 2026-27.

9	a. Details of Audit Qualification	8. Investments (Refer Note No.8) · STCL Limited (Subsidiary Company) : As confirmed by STC management "STCL Accounts for the FY 2025-26 signed by GM-STCL were received in August 2026. Board Meeting of STCL for approving the accounts for financial year 2025-26 is yet to take place." The availability/recovery of asset and/or write off could not be ascertained by the management. · NSS Satpura Agro Development Company Ltd. (Joint Venture) : The company has been strike off as per MCA site. However, still it is appearing in the books of accounts of STC India Limited. The availability/recovery of asset and/or write off could not be ascertained by the management. · Sea Lac Agro Ventures Limited: The latest financials of the JV are not available for verification. The availability/recovery of asset and/or write off could not be ascertained by the management. · Maharashtra Small Scale Industries Development: The latest financials of the JV are not available for verification. The availability/recovery of asset and/or write off could not be ascertained by the management. · Andhra Pradesh Trade Promotion Corporation Limited: The latest financials of the JV are not available for verification. The availability/recovery of asset and/or write off could not be ascertained by the management. · Sindhu Resettlement: The latest financials of the JV are not available for verification. The availability/recovery of asset and/or write off could not be ascertained by the management.
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualificaiton	Repeat
	d. For Audit qualification, whether the impact is quantified by the audit, management's view	Effective treatment w.r.t NSS Satpura Agro Development Company Ltd. shall be given in F.Y. 2026-27. Investment in Sindhu Resettilement has been shown at a nominal value of 0.04 lacs. Rest all the investments have been fully provided for.
10	a. Details of Audit Qualification	Other Equity:(Refer note no -19) An amount of "Exchange Fluctuation Reserves: Rs.649.53 lacs" & "Bonus Reserve: Rs.0.33 lacs" are appearing in the books of accounts since long. As confirmed by management, these reserves are created long back and details shall be provided in next financial year. We are unable to ascertain its possible impact, if any, on the standalone financial statements of the Company.
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualificaiton	Repeat
	d. For Audit qualification, whether the	Earmarked reserves created in previous years. The same shall be reviewed in F.Y. 2026-27.
11	a. Details of Audit Qualification	i. Refer Note No. 24, customer at credit includes amount payable to U.P. Government amounting to Rs.603 lacs. As informed by the management, the company has made various other claims on U.P Government and accordingly dues of Rs. 3382.23 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 company 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.
	b. Type of Audit Qualification:	Qualified Opinion
	c. Frequency of Qualificaiton	Repeat
	d. For Audit qualification, whether the impact is quantified by the audit, management's view	Includes an amount payable of Rs. 603 lacs to U.P. Government is adjustable against claims of interest and carrying charges amounting to Rs 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. Last AMRCD meeting was held on 14.11.2025 wherein AMRCD committee had directed to carry out the reconciliation between STC and UPGEWC. The reconciliation is not yet concluded, UP Govt. from time to time has sought exhaustive set of records / documents from STC which have been sent to them. Last communication from STC to UPGEWC was sent on 05.02.2026.
	Signatories	
>	CMD	
>	CFO	
>	[illegible]t Committee Chairman	Vacant
>	Statutory Auditor - PVAR & Associates	

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Independent Auditor's Limited Review Report on Unaudited (Reviewed) Quarter & Three months **ended 30.06.2026 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 Audited financial results of **The State Trading Corporation of India Limited** for the quarter & Three months ended 30th Jun 2026.

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 Standalone Audited Financial Results for the Three months ended 30th Jun 2026. 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 30.06.2026**

1. *Refer Note No. 4(a) of Standalone financial statements for Year ending Mar'26, 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 Unaudited (Reviewed) financial results resulting into **overstatement of profit by Rs. 11.67 lacs.***

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Further the farm tanks installed at Mallet Bunder amounting to Rs. 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 Rs. 14.84 lacs.

Further to this, reconciliation has been done at STC of its accounts with MBPT and determined that a net amount of Rs. 161 lacs are recoverable from MBPT after adjusting lease rent dues of Rs. 257 lacs against total recoveries of Rs. 419 lacs (comprising sale proceeds of STC surrendered assets by MBPT, EMD and deposits). This was communicated to MBPA for their confirmation through STC letter dated 29.10.2025, followed by reminders on 10.02.2026, 26.03.2026 and 21.05.2026. However, MBPT's confirmation is still awaited. Refer Note 57 of Standalone financial statements for Year ending Mar'26.

2. *Refer Note No. 4 of Standalone audited financial statements for year ending Mar'26, 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.1,69,934.78 lacs (relates to STC only) as per Note No. 4 of Limited Review Financial statements as on 30.06.2026 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. 107,207.16 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 recovery during the Quarter ending 30.06.2026 and there is no major update of legal cases which are pending at various forums. Thus trade receivable are not 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 30.06.2026 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 1,69,934.78 lacs are considered doubtful of recovery resulting into short provision for doubtful debts amounting to Rs. 1,07,207.16 lacs. Thus the provision for bad and doubtful debts has been understated by Rs. 1,07,207.16 lacs and consequential impact on the statement of profit and Loss account resulting into overstatement of profit by Rs. 1,07,207.16 lacs.

   Further in case of M/s Rajat Pharmaceuticals Ltd (RPL), under note no.39, Pt.No.4, 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.52786 lacs 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 6247 lacs approx. has been passed by Hon'ble Bombay

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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. 47647 lacs.

In the case of ICICI Bank Ltd. (Bank of Rajasthan Ltd.) v. The State Trading Corporation of India Ltd. & Ors related to M/s Rajat Pharmaceuticals Ltd., As per final order dated 11.06.2025 passed by the Hon'ble Debts Recovery Tribunal-II, Delhi, STC has been directed to deposit a sum of Rs. 2,655 lacs within 30 days from the date of order. However, STC has challenged the DRT, Delhi Award and has filed an appeal before DRAT, Delhi on 25.07.2025. A conference was held with senior advocate and AOR along with STC officials on 02.02.2026 wherein it was informed by advocate that an important requirement is STC must deposit a portion of the debt due with the DRAT as a pre-deposit, usually 50% of the award along with the interest. DRAT vide order dtd 21.04.2026, directed STC to deposit 40% of the amount as pre deposit within 30 days. STC on 20.05.2026, deposited DD of Rs 10.62 cr with DRAT as pre deposit. Next date of hearing in the matter is 23.10.2026.

STC has filed non-money claim suit before different Courts at Delhi & Mumbai for declaring Bills of Exchanges of STC as null and void and unenforceable against STC which were conditionally accepted by STC on back-to-back basis i.e. STC will make payment to Rajat/Banks only upon receipt of export proceeds from the foreign buyers.

STC had filed 272 Criminal Complaints u/s 138 of N.I Act in New Delhi in 2009 which were transferred from MM Court, Patiala House District Court, New Delhi to the 33rd MM Court, Ballard Pier, Mumbai. Now the matters have been again transferred to M.M. Court, Mazgaon, Bombay. STC is claiming an amount or Rs.45,635 lacs from M/s Rajat towards cheque bounce. Cases are at the stage of issuing of summons/arguments on issuing of summons.

Refer Note No. 8 of Limited Review statements as on 30.06.2026:
In the case of ICICI Bank Ltd. (Bank of Rajasthan Ltd.) v. The State Trading Corporation of India Ltd. & Ors related to M/s Rajat Pharmaceuticals Ltd., As per order dated 11.06.2025 passed by the Hon'ble Debts Recovery Tribunal-II, Delhi, M/s Rajat Pharmaceuticals Ltd & STC as respondent no - 2 have been jointly severely been directed to deposit a sum of Rs. 2,655 lacs within 30 days from the date of order. However, STC has challenged the DRT, Delhi order and has filed an appeal before DRAT, Delhi. The appeal was heard and DRAT vide order dtd 21.04.2026 directed STC to deposit 40% of the amount as pre-deposit. STC on 20.05.2026 deposited Rs 1062 lacs with DRAT, hence no provision (being of contingent nature) has been made. The next date of hearing is 23.10.2026

The company's Profit is overstated and the liabilities are understated by the same amount.

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 Limited Review statements as on 30.06.2026, STC has paid Rs. 200 crore in OTS to Lead banker Canara Bank after signing of the Debt Settlement Agreement (DSA) and No dues certificate /Settlement Certificate issued jointly by all the six lender banks on 11.07.2025 in order to complete the One time settlement (OTS) with the lender Banks. Further, The case filed by Lead banker Canara Bank in DRT (case no. TA/18/2022) has been withdrawn on 15.07.2025. The status of completion of OTS and withdrawal of case in DRT has also been informed to MOC&I. The accounting effect of OTS has been*

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taken in the quarter ended 30.09.2025, which has resulted in profit of Rs. 606.23 crore and has been shown under exceptional items.

5. *Other Financial Assets -Claims Recoverable: For non-provisioning in respect of Claims Recoverable o/s since last many financial years amounting to Rs. 3196.63 lacs where no present status could be ascertained by the management of the Company and still not written off. Claim recoverable as on 30.06.2026 is Rs. 3196.63 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. 3196.63 lacs and overstatement of profit by Rs. 3196.63 lacs.

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

6. *Refer Note No. 5 of Limited Review statements as on 30.06.2026, 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.*

   Demand of Rs.132.83 lacs 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 Rs.8,540 lacs has been created in the book of accounts for the F.Y. 2021-22. Further, STC through its various letters has been regularly following up with L&DO for providing details of outstanding dues and the latest reminder letter dated 20.08.2025 has been issued by STC requesting L&DO to provide details of outstanding dues, as on date and the reply is still awaited. The matter relating to provisioning of amount payable to L&DO since July 2018 to December 2025 is under ascertainment by management & the decision on the same in consultation with the Competent Authority shall be taken shortly. Accordingly, no further provisioning is being made.

   The CAG conducted "Transaction Audit" during the FY 2025-2026 has intimated that non-payment to L&DO in respect of various charges in violation of the agreement has resulted into avoidable / accumulation of Interest of ₹ 102.48 crore towards interest (calculated @ 10 % p.a. on ₹132.83 crore from 14 July 2018 up to 31 March 2026) which will further cumulate till final payment to L&DO. Details of further updated demand, if any, received from L&DO were not found available in the records.

   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 Jun 2026, 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.

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7. ***Statutory Dues - The GST input receivable as per GSTN and payable balances are not reconciled by the Company as on Jun 30th 2026. GST input Rs.54.97 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 as on 31.03.2026, 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*

9. ***Penalty Provisions (Refer Note No.7 of Limited Review statements as on 30.06.2026):*** *7) STC could not comply with Regulation 17,18,19,20 & 21 of SEBI (LODR), 2015 due to non-appointment of Independent Directors on the Board of STC and Regulation 33 due to non-submission of consolidated annual financial results 2025-26 and results for the quarter ended on 30th June, 2026 in stipulated time due to insufficient number of member on board of STC & non-receipt of financial results from STC's wholly owned subsidiary company i.e. STCL Limited respectively. Consequently, both the stock exchanges i.e BSE and NSE levied a cumulative fine of ₹ 148.73 Lakhs (approx) on STC for non-compliance of Reg 17,18,19,20,21,33 & 34 of SEBI (LODR) Regulation, 2015 during 2025-26 (upto March' 2026). STC has taken up the matter regarding the said non-compliances with its Administrative Ministry i.e. Ministry of Commerce and Industry and also with the Stock Exchanges to avoid/ waive off the penalties imposed in this regard. Based on precedence, STC is hopeful of getting waiver, hence no provision (being of contingent nature) has been made.*

10. ***Investments (Refer Note No.8 of last audited financial statements as on 31.03.2026)***

- ***NSS Satpura Agro Development Company Ltd.(Joint Venture) :*** *The company has been strike off as per MCA site. However, still it is appearing in the books of accounts of STC India Limited. The availability/ recovery of asset and/ or write off could not be ascertained by the management.*
- ***Sea Lac Agro Ventures Limited:*** *The latest financials of the JV are not available for verification. The availability/ recovery of asset and/ or write off could not be ascertained by the management.*
- ***Maharashtra Small Scale Industries Development:*** *The latest financials of the JV are not available for verification. The availability/ recovery of asset and/ or write off could not be ascertained by the management.*
- ***Andhra Pradesh Trade Promotion Corporation Limited:*** *The latest financials of the JV are not available for verification. The availability/ recovery of asset and/ or write off could not be ascertained by the management.*
- ***Sindhu Resettlement:*** *The latest financials of the JV are not available for verification. The availability/ recovery of asset and/ or write off could not be ascertained by the management.*

11. ***Other Equity (Refer Note No.19 of last audited financial statements as on 31.03.2026)*** *: An amount of "Exchange Fluctuation Reserves: Rs.649.53 lacs" & "Bonus Reserve: Rs.0.33 lacs" are appearing in the books of accounts since long. As confirmed by management, these reserves are created long back*

P V A R & ASSOCIATES
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CHARTERED ACCOUNTANTS

and details shall be reviewed during the financial year. We are unable to ascertain its possible impact, if any, on the standalone financial statements of the Company.

12. **Account statement of UCO Bank, IndusInd Bank, Allahabad Bank and Bank of Baroda and its reconciliation is not available.** *"Company management explains account is inoperative. Transaction, if any which will be immaterial, will be recorded upon receipt of bank statement."*

    Amount is unascertained. Profits/ losses/ assets/ liabilities are under/ overstated to the extent of unrecorded amount.

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 31.03.2026. 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. 2972 lacs (Rs. 682 lacs for HHEC & Rs.2290 lacs for CCIC) as on Jun 30,2026. The matter is said to be under correspondence with HHEC & CCIC.

STC received a demand of Rs. 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 Rs. 8,002 Lacs, STC has paid Rs. 2,212 Lacs during 2016-17 against which CCIC has paid its share of Rs. 115 Lacs. However, HHEC has not paid its share, hence provision to the extent of share of HHEC out of payment of Rs. 2,212 Lacs has already been made. The matter was pending at Patiala House Court, Delhi, which was dismissed vide its order dated 24.03.2025.

Further, STC has filed the writ petition challenging the orders dated 24.03.2025 (HTA No.83/2017 and 85/2017 STC vs NDMC) in Delhi High Court, considering the submission made before this court, the operation and implementation of the impugned order/ action dated 30.12.2016 shall remain stayed, the next date of hearing listed on 28.07.2026

HHEC in pursuance to its Board approval dtd. 29.01.2024 submitted a proposal for surrendering back its share of 4.5% office space in JVB and 64 staff quarters at STC housing colony at zero cost to STC in lieu of outstanding dues payable to STC.

Accordingly, STC's Board on 08.08.2024 accorded approval to their offer and HHEC has handed over second floor Annexe (3,795.21 sq.ft.) out of 12,667sq.ft.to STC on 26.03.2025. Since separate valuation of the 2nd floor annex is not available and the total dues pending from HHEC is yet to be reconciled, the necessary accounting entries shall be passed in the books of accounts only upon vacation/handing of the entire share as mentioned above by HHEC. Refer Note No. 39 of Standalone audited financial statements for year ending Mar'26.

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

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around the resolution of various claims, the amount of ultimate liabilities, if any, to be recorded in the statements as provision is not ascertainable.

iv. *Refer Note No.09 of Limited Review statements as on 30.06.2026: The Govt. of India has notified four new Labour Codes subsuming 29 existing labour legislations with effect from 21.11.2025. The detailed rules have been notified in May, 2026. The management is in the process of evaluating the financial implications of new labour codes on account of revised definition of wages and fixed term employment. The financial impact on the company on this account shall be accounted during the financial year.*

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

P V A R & ASSOCIATES
FRN-005223C
CHARTERED ACCOUNTANTS

CA. Ruchi Agarwal
(M.NO. 504134)
New Delhi
Date: 25.08.2026
UDIN : 26504134SUTFHM5725

THE STATE TRADING CORPORATION OF INDIA LTD.
Statement of Unaudited (Reviewed) Financial Results for the Quarter ended June 30, 2026
CIN: L74899DL1956GOI002674

(Rs. Lacs)

Particulars	STANDALONE			
	Quarter ended 30.06.2026	Quarter ended 30.06.2025	Quarter ended 31.03.2026	Year ended 31.03.2026
	(unaudited)	(unaudited)	(audited)	(audited)
Income				
Revenue from Operations	-	-	-	-
Other Income	1,692.38	2,302.26	2,559.54	9,621.92
Total Income	**1,692.38**	**2,302.26**	**2,559.54**	**9,621.92**
Expenses				
Cost of materials consumed	-	-	-	-
Purchases of Stock in trade	-	-	-	-
Change in Inventory	-	-	-	-
Employees' Benefit Expenses	807.03	685.89	524.79	2,474.72
Finance Cost	56.29	48.43	53.84	203.49
Depreciation & Amortization Expenses	-	-	-	-
Other Expenses	544.64	584.97	623.11	1,939.32
Total expenses	**1,407.96**	**1,319.29**	**1,201.74**	**4,617.53**
Profit before exceptional items and tax	**284.42**	**982.97**	**1,357.80**	**5,004.39**
Exceptional Items - Expense /(Income)	0.33	0.14	2.71	(60,618.45)
Profit Before Tax	**284.09**	**982.83**	**1,355.09**	**65,622.84**
Tax expense				
(i) Current tax	-	-	362.30	1,776.80
(i) Tax related to earlier years	-	-	-	(708.27)
(ii) Deferred tax	-	-	-	-
Profit for the period from continuing operations (A)	**284.09**	**982.83**	**992.79**	**64,554.31**
Profit/(loss) from discontinued operations	-	-	-	-
Tax expense of discontinued operations	-	-	-	-
Profit from discontinued operations after tax (B)	-	-	-	-
I Profit for the period (A+B)	**284.09**	**982.83**	**992.79**	**64,554.31**
II Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
- Remeasurements of the defined benefit plans	-	-	652.67	652.67
Less: Income Tax on Above	-	-	-	-
Items that will be reclassified to profit or loss	-	-	-	-
Total of Other Comprehensive Income	-	-	**652.67**	**652.67**
Total Comprehensive Income for the period	**284.09**	**982.83**	**1,645.46**	**65,206.98**
Paid up equity share capital (Face value of Rs. 10/- each)	**6,000.00**	**6,000.00**	**6,000.00**	**6,000.00**
Other Equity excluding Revaluation Reserves	-	-	-	(33,164.14)
Earnings per equity share :				
(1) Basic (in Rupees)	0.47	1.64	2.74	108.68
(2) Diluted (in Rupees)	0.47	1.64	2.74	108.68

PVAR & ASSOCIATES
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CHARTERED ACCOUNTANTS

Segment-wise Revenue, Results, Assets & Liabilities

(Rs. Lacs)

Particulars	STANDALONE			
	Quarter ended 30.06.2026	Quarter ended 30.06.2025	Quarter ended 31.03.2026	Year ended 31.03.2026
	(unaudited)	(unaudited)	(unaudited)	(audited)
1. Segment revenue				
a) Export	-	-	-	-
b) Import	-	-	-	-
c) Domestic	-	-	-	-
Total	-	-	-	-
Less -Inter-segment revenue	-	-	-	-
Revenue from operations	-	-	-	-
2. Segment results - Profit /(Loss) before tax and interest from each segment				
a) Export	-	-	-	-
b) Import	-	-	-	-
c) Domestic	-	-	-	-
Total	-	-	-	-
Less:(i) Finance cost	56.29	48.43	53.84	203.49
(ii) Other unallocable expenditure net off Unallocable income	(340.38)	(1,031.26)	(1,406.93)	(65,826.33)
Profit before Tax	**284.09**	**982.83**	**1,356.09**	**65,622.84**
3. Segment Assets				
a) Export	9,036.22	9,036.22	9,272.64	9,272.64
b) Import	95,358.57	95,358.57	99,901.80	99,901.80
c) Domestic	-	-	-	-
d) Unallocated	1,17,761.24	1,32,624.60	1,11,948.75	1,11,948.75
Total	**2,22,156.02**	**2,37,019.39**	**2,21,123.19**	**2,21,123.19**
4. Segment Liabilities				
a) Export	10,648.30	10,648.30	10,607.55	10,607.55
b) Import	68,427.49	1,01,729.34	1,01,945.76	1,01,945.76
c) Domestic	-	-	-	-
d) Unallocated	81,817.99	1,27,887.76	47,591.72	47,591.72
Total	**1,60,893.78**	**2,40,265.40**	**1,60,145.03**	**1,60,145.03**

P V A R & ASSOCIATES
FRN-005223C
CHARTERED ACCOUNTANTS

THE STATE TRADING CORPORATION OF INDIA LTD.

Statement of Unaudited (Reviewed) Financial Results for the Quarter ended June 30, 2026

CIN: L74899DL1956GOI002674

(Rs. Lacs)

S.NO.	PARTICULARS	STANDALONE			
		Quarter ended 30.06.2026	Quarter ended 30.06.2025	Quarter ended 31.03.2026	Year ended 31.03.2026
		(unaudited)	(unaudited)	(audited)	(audited)
1	Total income from operations	-	-	-	-
2	Net Profit /(Loss) for the period (before tax, exceptional and/or Extraordinary items)	284.42	982.97	1,357.80	5,004.39
3	Net Profit /(Loss) for the period before tax (after Exceptional and/or Extraordinary items)	284.09	982.83	1,355.09	65,622.84
4	Net Profit /(Loss) for the period after tax (after Exceptional and/or Extraordinary items)	284.09	982.83	992.79	64,564.31
5	Total comprehensive income for the period [comprising Profit/ (Loss) for the period (after Tax) and other comprehensive income (after tax)	284.09	982.83	1,645.46	65,206.98
6	Equity Share Capital	6,000.00	6,000.00	6,000.00	6,000.00
7	Other Equity excluding Revaluation Reserves	-	-	-	(33,164.14)
8	Earning per share (of Rs. 10/- each) (for continuing and discontinued operations) (not Annualized) :				
	(a) Basic (in Rupees)	0.47	1.64	2.74	108.68
	(b) Diluted (in Rupees)	0.47	1.64	2.74	108.68

Notes:

1) 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.

2) The unaudited standalone financial results for the period ended 30 june 2026 were approved by the Board of Directors in its meeting held on 25.08.2026.

3) STC has paid Rs. 200 crore in OTS to Lead banker Canara Bank after signing of the Debt Settlement Agreement (DSA) and No dues certificate /Settlement Certificate issued jointly by all the six lender banks on 11.07.2025 in order to complete the One time settlement (OTS) with the lender Banks. Further, The case filed by Lead banker Canara Bank in DRT (case no. TA/18/2022) has been withdrawn on 15.07.2025. The status of completion of OTS and withdrawal of case in DRT has also been informed to MOC&I. The accounting effect of OTS has been taken in the quarter ended 30.09.2025 , which has resluted in profit of Rs. 606.23 crore and has been shown under exceptional items.

4) Trade receivable of Rs. 1,69,934.78 lacs includes Rs. 62,727.62 lacs having credit impairment.

5) Demand of Rs. 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 Rs. 8,540 lacs has been created in the books of accounts for the F.Y. 2021-22. Further, STC through its various letters has been regularly following up with L&DO for providing details of outstanding dues and the latest reminder letter dated 28.04.2026 has been issued by STC requesting L&DO to provide details of outstanding dues, as on date and the reply is still awaited.

6) 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-progess, 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 per valuation of STC's immovable porperties, fair value as on 30.09.2023 based on current title is : JVB - Rs 81,145 lacs, STCHC- Rs 48,267 lacs & Others - Rs 26,188 lacs. An impairment of Rs 318 lacs charged from revaluation reserve during the FY 2023-24.

7) STC could not comply with Regulation 17,18,19,20 & 21 of SEBI (LODR), 2015 due to non appointment of Independent Directors on the Board of STC and Regulation 33 due to non-submission of consolidated annual financial results 2025-26 and results for the quarter ended on 30th June, 2026 in stipulated time due to insufficient number of member on board of STC & non-receipt of financial results from STC's wholly owned subsidiary company i.e. STCL Limited respectively. Consequently, both the stock exchanges i.e BSE and NSE levied a cumulative fine of ₹ 148.73 Lakhs (approx) on STC for non-compliance of Reg 17,18,19,20,21,33 & 34 of SEBI (LODR) Regulation, 2015 during 2025-26 (upto March' 2026). STC has taken up the matter regarding the said non-compliances with its Administrative Ministry i.e. Ministry of Commerce and Industry and also with the Stock Exchanges to avoid/waive off the penalties imposed in this regard. Based on precedence, STC is hopeful of getting waiver, hence no provision (being of contingent nature) has been made.

8) In the case of ICICI Bank Ltd. (Bank of Rajasthan Ltd.) v. The State Trading Corporation of India Ltd. & Ors related to M/s Rajat Pharmaceuticals Ltd., As per order dated 11.06.2025 passed by the Hon'ble Debts Recovery Tribunal-II, Delhi, M/s Rajat Pharmaceuticals Ltd & STC as respondent no - 2 have been jointly severely been directed to deposit a sum of Rs. 2,655 lacs within 30 days from the date of order. However, STC has challenged the DRT, Delhi order and has filed an appeal before DRAT, Delhi.The appeal was heard and DRAT vide order dtd 21.04.2026 directed STC to deposit 40% of the amount as pre-deposit. STC on 20.05.2026 deposited Rs 1062 lacs with DRAT, hence no provision (being of contingent nature) has been made. The next date of hearing is 23.10.2026

9) The Govt. of India has notified four new Labour Codes subsuming 29 existing labour legislations with effect from 21.11.2025. The detailed rules have been notified in May, 2026. The management is in the process of evaluating the financial implications of new labour codes on account of revised definition of wages and fixed term employment. The financial impact on the company on this account shall be accounted during the financial year.

10) Figures of last quarter are the balancing figures between audited figures in respect of the full financial year & the published year to date figure upto the third Quarter of the current financial year. Amount in the financial statements are presented in Rs lacs (upto two decimals) except for per share data and as otherwise stated. Certain small amounts may not appear in financial statements due to rounding off in Rs lacs. Previous year's figures have been regrouped/rearranged wherever considered necessary. Regrouping / rearrangement of data is for specific purpose of presentation in financial statements only and do not affect legal status of STC. STC reserves all its rights under the applicable laws.

As per our report of even date attached
For P V A R & Associates
Chartered Accountants
Firm Reg. No. 005223C

P V A R & ASSOCIATES
FRN-005223C
CHARTERED ACCOUNTANTS

(CA Ruchi Agarwal)
Partner
M. No. 504134
Place: New Delhi
Date: 25.08.2026

(Raghvendra Singh)
Director Finance
DIN - 11788427

(Nitin Kumar Yadav)
CMD
DIN - 03104045

(B.S.Rao)
CFO

THE STATE TRADING CORPORATION OF INDIA LTD.

(Rs. Lakh)

DETAILS OF EXCEPTIONAL ITEMS FOR THE YEAR ENDED 30.06.2026				
S.No.	Name of party	Division	Amount	Remarks
A. PROVISIONS & OTHER EXPENSES				
1	Provisions	General Import	0.69	
2	Other Expenses			
B. WRITEBACKS & MISC. INCOME				
1	Liability created in earlier years written back			
	Excess Liability towards expenses reversed	GAD	(0.36)	
2	Provision Written back for doubtful amounts realised/w		-	
3	Write back of unclaimed credit balances		-	
4	Profit on sale of PPE		-	
	Total Exceptional Items (Net)		0.33	

THE STATE TRADING CORPORATION OF INDIA LTD.

(Rs. Lakh)

DETAILS OF EXCEPTIONAL ITEMS FOR THE YEAR ENDED 30.06.2026				
S.No.	Name of party	Division	Amount	Remarks
A. PROVISIONS & OTHER EXPENSES				
1	Provisions	General Import	0.69	
2	Other Expenses			
B. WRITEBACKS & MISC. INCOME				
1	**Liability created in earlier years written back**			
	Excess Liability towards expenses reversed	GAD	(0.36)	
2	**Provision Written back for doubtful amounts realised/w**		-	
3	**Write back of unclaimed credit balances**		-	
4	Profit on sale of PPE		-	
	Total Exceptional Items (Net)		**0.33**	

<u>TO WHOMSOEVER IT MAY CONCERN</u>

Certified that the reviewed financial results for the three month ended 30.06.2026 do not contain any false or misleading statement or figures and do not omit any material fact which may make the statement or figures contained therein misleading to the best of our knowledge and available records.

B.S.Rao
(CFO)

Nitin Kumar Yadav
(CMD)

Place: New Delhi

Date: 25.08.2026

Other Information- Integrated Filing (Financial)		
For the Financial Year ended 30.06.2026		
Sl. No.		
B.	Statement of deviation or variation for prceeds of public issue, Rights issue, preferential issue , Qalified institutions placement etc.	Not Applicable
C.	Disclosure of outstanding default on loans and debt securities	NIL
D.	Format for disclosure of Related Party Transactions (applicabe only for half-yearly filings)	Not Applicable
E.	Statement on Impact of Audit Qualifications (For Audit Report with Modified Opinion) Submitted along with annual audited financial results - (Standalone Not Applicable and Consolidated separately) (applicable only for annual filing i.e. 4 th quarter)	Not Applicable

Place: New Delhi
Date: 25.08.2026

B.S. Rao
CFO