

## The State Trading Corporation of India Limited

October 29, 2020

### Ratings

Facilities/ Instruments	Amount (Rs. Crore)	Rating <sup>1</sup>	Rating Action
Long term Bank Facilities	-	-	Withdrawn
Short term Bank Facilities	-	-	Withdrawn
<b>Total</b>	-		

### Detailed Rationale & Key Rating Drivers

CARE has withdrawn the rating of 'CARE D; Issuer Not Cooperating' [Single D; ISSUER NOT COOPERATING] assigned to the Bank facilities of The State Trading Corporation of India Limited with immediate effect, as the company is undergoing Insolvency Resolution Process under Hon'ble NCLT. Therefore, it may no longer be useful or necessary for CARE to maintain a rating on the rated entity's obligations.

**Analytical approach:** Not Applicable

### Applicable Criteria

[Policy on Withdrawal of ratings](#)

### About the Company

STC is a Miniratna Category-1 Central Public Sector Enterprise and is recognised by the Government of India (GOI) as a Star Trading House. It is a trading company engaged primarily in the export and import operations. The company functions under the administrative control of the Ministry of Commerce & Industry, GOI. STC has 11 branch offices in India. STC owns tank farms, warehouses, godowns at various locations of the country for storage of liquid/dry cargo. GOI holds 90% stake in the company.

**Covenants of rated instrument / facility:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)
Total operating income	9013.07	3014.98
PBILDT	-11.95	-15.71
PAT	-881.08	-113.63
Overall gearing (times)	17.46	-13.11
Interest coverage (times)	-0.08	-2.16

A: Audited

**Status of non-cooperation with previous CRA:** NA

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

### Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Working Capital Limits	-	-	-	0.00	Withdrawn
Fund-based - ST-Term loan	-	-	-	0.00	Withdrawn
Non-fund-based - ST-BG/LC	-	-	-	0.00	Withdrawn

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

**Annexure-2: Rating History of last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Working Capital Limits	LT	-	-	-	1)CARE D; ISSUER NOT COOPERATING* (31-Dec-19)	1)CARE D (19-Dec-18)	1)CARE D (30-Jun-17)
2.	Fund-based - ST-Term loan	ST	-	-	-	1)CARE D; ISSUER NOT COOPERATING* (31-Dec-19)	1)CARE D (19-Dec-18)	1)CARE D (30-Jun-17)
3.	Non-fund-based - ST-BG/LC	ST	-	-	-	1)CARE D; ISSUER NOT COOPERATING* (31-Dec-19)	1)CARE D (19-Dec-18)	1)CARE D (30-Jun-17)

*\*Issuer not cooperating; Based on best available information*

**Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: NA****Annexure 4: Complexity level of various instruments rated for this company**

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Working Capital Limits	Simple
2.	Fund-based - ST-Term loan	Simple
3.	Non-fund-based - ST-BG/LC	Simple

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

## Contact us

### Media Contact

Name: Mradul Mishra  
Contact no. – +91-22-6837 4424  
Email ID – mradul.mishra@careratings.com

### Analyst Contact

Group Head Name: Ravleen Sethi  
Group Head Contact no.: 011- 45333251  
Group Head Email ID: ravleen.sethi@careratings.com

### Business Development Contact

Name: Swati Agrawal  
Contact no. : +91-11-4533 3200  
Email ID: swati.agrawal@careratings.com

### About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

### Disclaimer

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Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**