

FAX

ALL BRANCH MANAGERS

REPEAT ALL BRANCH FINANCE HEADS

FROM B.R. DHAWAN, CGM-F, STC, NEW DELHI.

AS PER LODR AGREEMENT WITH SEBI, ACCOUNTS FOR THE QUARTER ENDING ON 30.09.2017 ALONGWITH SEGMENTAL REPORTING DULY REVIEWED (LIMITED) BY THE STATUTORY AUDITORS ARE REQUIRED TO BE PUBLISHED IN THE LEADING NEWSPAPERS WITHIN PRESCRIBED TIME LIMIT. FURTHER DUE TO APPLICABILITY OF IND-AS TO STC W.E.F. 01.04.2017, QUARTERLY ACCOUNT FOR THE QUARTER ENDED ON 30.09.2017 ARE TO BE PREPARED AND SUBMITTED AS PER THE REQUIREMENTS OF IND-AS.

THE SCHEDULE APPROVED BY COMPETENT AUTHORITY FOR SUBMISSION OF CERTIFIED QUARTERLY ACCOUNTS BY ALL BRANCHES/DIVISIONS AT C.O IS ATTACHED AT ANNEXURE I.. **THE LAST DATE FOR SUBMISSION OF QUARTERLY ACCOUNTS DULY CERTIFIED BY INTERNAL AUDITORS IS 10.11.2017.** FORMATS OF ACCOUNTS ARE AVAILABLE ON STC'S WEBSITE UNDER CORPORATE ACCOUNTS FORMAT FOR NECESSARY ACTION.THE FOLLOWING MAY BE ENSURED WHILE PREPARATION OF QUARTERLY ACCOUNTS:-

1. THE QUARTERLY ACCOUNTS ARE PREPARED AS PER REVISED ACCOUNTING POLICIES UPLOADED IN THE WEBSITE FOR THE FINANCIAL YEAR 2017-18.
2. THE QUARTERLY ACCOUNTS ARE IND-AS COMPLIED ALONGWITH CORRESPONDING PREVIOUS YEAR'S QUARTER (30.09.2016) IND-AS COMPLIED FIGURES.
3. PARTIES' ACCOUNTS/LEDGER BALANCES HV BN
REVIEWED/RECONCILED AS ON 30.09.2017. BALANCE
CONFIRMATION MUST BE OBTAINED AS PER DIRECTION OF THE
AUDIT COMMITTEE OF DIRECTORS. COMPLIANCE OF THE SAME IS
TO BE REPORTED TO THE AUDIT COMMITTEE OF DIRECTORS.
HOWEVER LONG OUTSTANDING ASSETS/LIABILITIES SHALL BE
ALLOWED TO REMAIN IN THE BOOKS ONLY WITH PROPER

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JUSTIFICATION AFTER REVIEW, OTHERWISE NECESSARY ACTION MUST BE TAKEN FOR WRITE OFF/WRITE BACK WITH THE APPROVAL OF COMPETENT AUTHORITY.

4. ALL OUTSTANDING PAYABLES/RECEIVABLES AS ON 30.09.2017 SHOULD BE PROPERLY ENTERED IN THE BOOKS OF ACCOUNTS AND NOT KEPT OUT OF BOOKS. AFTERWARDS ACTUAL PAYMENTS/RECEIPTS MAY BE ROUTED THROUGH PARTIES' ACCOUNTS.
5. IMPACT OF UPDATION OF EXCHANGE FLUCTUATION AS ON 30.09.2017 HAS BEEN TAKEN INTO ACCOUNT IN THE BOOKS OF ACCOUNTS AS PER THE REQUIREMENTS OF IND-AS 21(REVISED). THIS FACT MAY BE DISCLOSED AS NOTES IN THE QUARTERLY ACCOUNTS.HOWEVER, AS PER EXISTING PRACTICE EXCHANGE UPDATION BE REVERSED ON THE FIRST DAY OF NEXT QUARTER AS THE ACTUAL EXCHANGE GAIN/LOSS IS RECOGNISED ON PAYMENT/SETTLEMENT BASIS WITHIN THE SAME ACCOUNTING YEAR.
6. PARTYWISE AND FOREIGN CURRENCY WISE STATEMENT OF FOREIGN CURRENCY RECEIVABLE/PAYABLE AS ON 30.09.2017 HS BN SUBMITTED.
7. PARTYWISE/ITEMWISE/AGEWISE STATEMENT OF TRADE RECIVABLES, LOANS ADVANCES, CLAIMS & OVERDUES AS ON 30.09.2017 IN THE PRESCRIBED FORMAT IS FURNISHED.
8. BRANCHES/ACCOUNTING UNITS WILL SUBMIT THE ACCOUNTS COMPLETE IN ALL RESPECT WITHIN TIME SCHEDULE TO F&A CORPORATE ACCOUNTS DIVISION DULY CERTIFIED BY INTERNAL AUDITORS.
9. IT MAY ALSO BE ENSURED THAT THE FIGURES CONTAINED IN THE OVERDUES STATEMENT DULY MATCHES WITH QUARTERLY ACCOUNTS.
10. DETAILS OF FRAUD NOTICED, IF ANY, AND COMPLIANCE CERTIFICATE (ANNEXURE-VI & VII) AS REQUIRED BE POSITIVELY SUBMITTED ALONG WITH ACCOUNTS, DULY SIGNED BY HOD FINANCE AND BM AT BRANCHES AND BY HOD FINANCE AT C.O. IN CONSULTATION WITH TRADE DIVISION. THIS IS REQUIRED FOR SUBMISSION OF CONSOLIDATED DETAILS TO STATUTORY AUDITORS AND MANAGEMENT.
11. ALL ANNEXURES (I TO X) ARE PART OF THE QUARTERLY FINANCIAL STATEMENT, MUST BE ATTACHED WITH THE ACCOUNT, COMPLETE IN ALL RESPECT.
12. IN ORDER TO COMPLY THE REQUIREMENTS OF IND-AS AND DIRECTIVES OF AUDIT COMMITTEE OF DIRECTORS, THE



FOLLOWING HAS BEEN TAKEN INTO ACCOUNT WHILE FINALIZING THE QUARTERLY ACCOUNTS :

- i) **COMPONENTIZATION OF PPE:** COMPONENT ACCOUNTING IS TO BE DONE AS PER IND-AS WHEREVER APPLICABLE. COMPONENTS OF PLANT AND MACHINERY (CENTRALIZED AC) IN RESPECT OF CHENNAI & BANGALORE BRANCH HAS BEEN COMMUNICATED ALONGWITH USEFUL LIFE FOR NECESSARY ACTION.
- ii) **RECOGNITION AND MEASUREMENTS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES:**

FINANCIAL ASSETS: FINANCIAL ASSET IS CASH, AN EQUITY INSTRUMENT OF ANOTHER ENTITY, A CONTRACTUAL RIGHT TO RECEIVE CASH OR ANOTHER FINANCIAL ASSET FROM ANOTHER ENTITY OR TO EXCHANGE FINANCIAL ASSET OR FINANCIAL LIABILITY WITH ANOTHER ENTITY UNDER CONDITIONS THAT ARE POTENTIALLY FAVORABLE TO THE ENTITY.

THUS, FINANCIAL ASSETS INCLUDE – TRADE RECEIVABLES, LOANS, CLAIMS, DEPOSITS, EMPLOYEE’S ADVANCES AND DERIVATIVES I.E FORWARD CONTRACTS.. DEPOSITS INCLUDE, SECURITY DEPOSITS, DEPOSITS GIVEN TO REGISTRAR, SALES TAX DEPT., ELECTRICITY BOARD, ETC.

FINANCIAL LIABILITY : ANY LIABILITY THAT IS A CONTRACTUAL OBLIGATION TO DELIVER CASH OR ANOTHER FINANCIAL ASSET TO ANOTHER ENTITY OR TO EXCHANGE FINANCIAL ASSET OR FINANCIAL LIABILITY WITH ANOTHER ENTITY UNDER CONDITIONS THAT ARE POTENTIALLY UNFAVORABLE TO THE ENTITY.

THUS, FINANCIAL LIABILITIES INCLUDE- TRADE PAYABLES, BILLS ACCEPTANCES, , CUSTOMERS AT CREDIT, SECURITY DEPOSITS RECEIVED, EARNEST MONEY DEPOSITS (EMD) RECEIVED.

INITIAL RECOGNITION: FINANCIAL ASSETS AND FINANCIAL LIABILITIES ARE INITIALLY RECOGNISED AT FAIR VALUE, HOWEVER, TRADE RECEIVABLES ARE VALUED AT TRANSACTION COST.

SUBSEQUENT MEASUREMENT: FINANCIAL ASSETS AND FINANCIAL LIABILITIES BE MEASURED AS ON EACH REPORTING DATE AS UNDER:-

- I) **FINANCIAL ASSETS:**
- A) AT AMORTISED COST USING EFFECTIVE INTEREST RATE. THIS COVERS ALL FINANCIAL ASSETS AS STATED AT PARA 2.1.1 EXCLUDING DERIVATIVE CONTRACTS I.E. FORWARD CONTRACTS.
- B) AT COST: INVESTMENT IN EQUITY INSTRUMENTS THAT DO NOT HAVE QUOTED MARKET PRICE WILL BE MEASURED AT COST.



C) AT FAIR VALUE THROUGH PROFIT AND LOSS ACCOUNT – ALL FINANCIAL ASSETS OTHER THAN A) & B) ABOVE ARE MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS ACCOUNT.

II) **FINANCIAL LIABILITIES:**

AT AMORTIZED COST USING EFFECTIVE INTEREST RATE. ALL FINANCIAL LIABILITIES MEASURED AT EACH REPORTING DATE AT AMORTISED COST USING THE EFFECTIVE INTEREST METHOD EXCEPT THE FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS, WHICH INCLUDES MAINLY DERIVATIVE LIABILITIES.

TIME VALUE OF MONEY: APPLICABLE IN RESPECT OF CERTAIN ITEMS HAVING FIXED TERM OF THE PAYMENT WITH CERTAIN RE-PAYABLE SCHEDULE TO BE DISCOUNTED AT EFFECTIVE RATE OF INTEREST. SECURITY DEPOSITS AND ADVANCES TO EMPLOYEES WILL BE DISCOUNTED AT EFFECTIVE RATE OF INTEREST FOR FAIR VALUATION.

EFFECTIVE INTEREST RATE (EIR): EFFECTIVE INTEREST RATE HAS BEEN COMPUTED BASED ON WEIGHTED COST OF CAPITAL AT 9.63 % FOR THE FINANCIAL YEAR 2017-18.

iii) **IMPAIRMENT:** ALL FINANCIAL ASSETS EXCEPT THOSE MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS ACCOUNT ARE SUBJECT TO REVIEW FOR IMPAIRMENT AS ON EACH REPORTING DATE.

BASIS: IMPAIRMENT OF FINANCIAL ASSET IS MEASURED BASED ON THE EXPECTED CREDIT LOSS (ECL) OF EACH FINANCIAL ASSET AS ON THE REPORTING DATE. ECL IS THE CREDIT RISK OF AN INDIVIDUAL ASSET CONSIDERING THE VARIOUS FACTORS / EVENTS THAT OCCURRED AFTER THE INITIAL RECOGNITION OF THE ASSETS. FOR EXAMPLE BREACH OF CONTRACT, ECONOMIC OR LEGAL FACTORS, BANKRUPTCY, DISAPPEARANCE OF AN ACTIVE MARKET, MEASURABLE DECREASE IN THE ESTIMATED FUTURE CASH FLOWS ETC. THE PROBABILITY OF LIFE TIME EXPECTED CREDIT LOSS HAS TO BE ESTIMATED / DETERMINED BASED ON THE PAST HISTORY OF REALISATION OF EACH FINANCIAL ASSET. SUCH REVIEW WILL BE CARRIED OUT BY THE CONCERNED BRANCH / ACCOUNTING UNITS AT C.O. IN CONSULTATION WITH THE ASSOCIATE FINANCE / MARKETING DEALING OFFICIALS AS ON EACH REPORTING DATE.

ECL INCLUDES TWO ELEMENTS:

1. LIFE TIME CREDIT LOSS I.E. EXPECTED LOSS ON REALISATION OF ASSETS (CASH SHORT FALL).

2. AVERAGE LOSS ARRIVED AT ON DISCOUNTING THE EXPECTED CASH FLOW AT EIR.



NECESSARY PROVISION OR WRITE OFF FOR SUCH EXPECTED LOSS WILL BE MADE IN THE BOOKS OF ACCOUNT AS ON EACH REPORTING DATE CONSIDERING THE FACTS AND STATUS OF EACH CASE.

iv) **DEEMED COST MODEL:** THE COMPANY HAS ADOPTED DEEMED COST MODEL AS ON THE TRANSITION DATE I.E. 01.04.2016 AS PER IND-AS 101. ACCORDINGLY, NET CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT (PPE) AND INVESTMENT PROPERTY (IP) AS ON 01.04.2016 SHOWN AS GROSS VALUE AND APPLICABLE DEPRECIATION WILL BE ACCOUNTED FOR BASED ON THE DEEMED COST AS ON THE TRANSITION DATE IN RESPECT OF EACH ASSET.

v) **CLASSIFICATION OF CURRENT ASSETS AND CURRENT LIABILITIES:** ASSETS AND LIABILITIES REQUIRED TO BE CLASSIFIED AS 'CURRENT' AND 'NON-CURRENT' AS PER THE CRITERIA DEFINED IN SCHEDULE III (DIVISION – II) OF THE COMPANIES' ACT 2013. FOR CLARITY, THE CRITERIA ARE GIVEN AS BELOW:

A) **CURRENT ASSETS** – AN ASSET SHALL BE CLASSIFIED AS CURRENT WHEN IT SATISFIES THE FOLLOWING CRITERIA:

- I) IT EXPECTS TO REALIZE THE ASSET, OR INTENDS TO SELL OR CONSUME IT, IN ITS NORMAL OPERATING CYCLE.
- II) IT HOLDS THE ASSET PRIMARILY FOR THE PURPOSE OF TRADING.
- III) IT EXPECTS TO REALISE THE ASSETS WITHIN 12 MONTHS AFTER THE REPORTING PERIOD OR
- IV) THE ASSET IS CASH OR CASH EQUIVALENT UNLESS THE ASSET IS RESTRICTED FROM BEING EXCHANGED OR USED TO SETTLE A LIABILITY FOR AT LEAST 12 MONTHS AFTER THE REPORTING PERIOD.

B) **NON-CURRENT ASSET:** ALL OTHER ASSETS SHALL BE CLASSIFIED AS NON-CURRENT.

AN OPERATING CYCLE IS THE TIME BETWEEN THE ACQUISITION OF ASSET FOR PROCESSING AND THEIR REALIZATION IN CASH OR CASH EQUIVALENTS. WHEN THE ENTITY'S NORMAL OPERATING CYCLE IS NOT CLEARLY IDENTIFIABLE, IT IS ASSUMED TO BE 12 MONTHS.

C) **CURRENT LIABILITY:** AN ENTITY SHALL CLASSIFY A LIABILITY AS 'CURRENT' WHEN:

- I) IT EXPECTS TO SETTLE THE LIABILITY IN ITS OPERATING CYCLE.
- II) IT HOLDS THE LIABILITY PRIMARILY FOR THE PURPOSE OF TRADING.
- III) THE LIABILITY IS DUE TO BE SETTLED WITHIN 12 MONTHS AFTER THE REPORTING PERIOD OR

- IV) IT DOES NOT HAVE AN UNCONDITIONAL RIGHT TO DEFER SETTLEMENT OF THE LIABILITY FOR AT LEAST 12 MONTHS AFTER THE REPORTING PERIOD.

TERMS OF A LIABILITY THAT COULD, AT THE OPTION OF THE COUNTER PARTY, RESULT IN ITS SETTLEMENT BY THE ISSUE OF EQUITY INSTRUMENTS DO NOT AFFECT ITS CLASSIFICATION.

- D) **NON-CURRENT LIABILITY** – ALL OTHER LIABILITIES SHALL BE CLASSIFIED AS 'NON-CURRENT'.

FOR TIMELY SUBMISSION OF THE DATA TO AUDITOR, ACCOUNT& OVERDUE STATEMENT MAY BE SUBMITTED IN SOFTCOPY FOLLOWED BY SIGNED COPY IN DUPLICATE.

THE ABOVE BE STRICTLY ADHERED TO. THE COMPLIANCE WILL BE MONITORED AND REPORTED TO DIRECTOR-FINANCE ON DAILY BASIS.

RGDS



(B.R. DHAWAN)
CGM-F
18.10.2017

CC TO : GM-F (RN) FOR SIMILAR NECESSARY ACTION .

F & A CORPORATE ACCOUNTS DIVISION

SCHEDULE FOR SUBMISSION OF ACCOUNTS FOR THE QUARTER
ENDING ON 30.09.2017

S.No.	Particulars	Last Date
1.	Submission of overdue statement	25.10.2017
2.	Submission of accounts to Ind-As Consultants for clearance of Ind-As Compliance	26.10.2017
3.	Submission of final quarterly A/cs to Internal Auditor for clearance	06.11.2017
4.	Submission of final quarterly A/cs to F &A Corporate Accounts at C.O.	10.11.2017

RD
19/11/17