

FAX

ALL BRANCH MANAGERS

REPEAT ALL BRANCH FINANCE HEADS

FROM ROOMA NAGRATH, GM-F, STC, NEW DELHI.

AS PER LODR AGREEMENT WITH SEBI, ACCOUNTS FOR THE QUARTER ENDING ON 30.06.2020 ALONGWITH SEGMENTAL REPORTING DULY REVIEWED (LIMITED) BY THE STATUTORY AUDITORS ARE REQUIRED TO BE PUBLISHED IN THE LEADING NEWSPAPERS WITHIN PRESCRIBED TIME LIMIT.

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 05.08.2020.** FORMATS OF ACCOUNTS ARE AVAILABLE ON STC'S WEBSITE UNDER CORPORATE ACCOUNTS FORMAT FOR NECESSARY ACTION.THE FOLLOWING MAY BE ENSURED WHILE PREPARATION OF QUARTELY ACCOUNTS:-

1. THE QUARTERLY ACCOUNTS ARE PREPARED AS PER ACCOUNTING POLICIES UPOADED IN THE WEBSITE FOR THE FINANCIAL YEAR 2019-20.
2. THE QUARTERLY ACCOUNTS TO BE SUBMITTED ALONGWITH CORRESPONDING PREVIOUS YEAR'S QUARTER 30.06.2019 FIGURES.
3. CLASSIFICATION OF CURRENT ASSETS AND CURRENT LIABILITIES : ASSETS AND LIABILITIES BE CLASSIFIED AS CURRENT AND NON-CURRENT STRICTLY AS PER THE CRITERIA DEFINED IN SCHEDULE III (DIVISION - II) OF THE COMPANIES' ACT 2013. FOR CLARITY, THE CRITERIA IS 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.

4. THE ACCOUNTING OF FOLLOWING ASSETS/LIABILITIES WOULD BE IN LINE WITH ACCOUNTING TREATMENT ALREADY ADOPTED DURING 2018-19:-

- (a) COMPONENT-WISE ACCOUNTING IN RESPECT OF PPE.
- (b) INVESTMENT PROPERTY.
- (c) AMORTIZATION OF FAIR VALUE ADJUSTMENT (DISCOUNTING) IN RESPECT OF ADVANCES TO EMPLOYEES, EMD, DEPOSITS ETC. IS TO BE TREATED AS UNDER :
 - (i) EXISTING AMORTIZED VALUE IS TO BE ACCOUNTED FOR THE QUARTER ON PRO-RATA BASIS.
 - (ii) THE AMORTIZATION IN RESPECT OF TRANSACTION TAKEN PLACE UPTO 30TH JUNE 2020 IS TO BE WORKED OUT ON THE SAME LINE AT PAR WITH F.Y. 2019-20 AND PRO-RATA VALUE FOR THE PERIOD ENDED 30.06.2020 IS TO BE ACCOUNTED FOR.
 - (iii) IMPAIRMENT / LIFE TIME CREDIT RISK IN RESPECT OF FINANCIAL ASSETS IS TO BE TAKEN INTO ACCOUNT AS ON REPORTING DATE WHEREVER APPLICABLE.
 - (iv) PRIOR PERIOD ITEMS (INCOME/EXPENDITURE).
- (5) HOR ACCOUNTS (CASH, OTHERS) AND INTER BRANCH STOCK RECEIPTS/ DESPATCHES HAVE BEEN RECONCILED AND CONFIRMATION OF BALANCES AS ON 30.06.2020 IS OBTAINED FROM F&A BANKING & CORPORATE ACCOUNTS DIVISION BEFORE FINALIZING THE QUARTERLY ACCOUNTS.
- (6) PARTIES' ACCOUNTS/LEDGER BALANCES INCLUDING CONTINGENT ASSETS/CONTINGENT LIABILITIES HV BN REVIEWED/RECONCILED AS ON 30.06.2020. 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 JUSTIFICATION AFTER REVIEW, OTHERWISE NECESSARY ACTION MUST BE TAKEN FOR WRITE OFF/WRITE BACK WITH THE APPROVAL OF COMPETENT AUTHORITY.

- (7) ALL OUTSTANDING PAYABLES/RECEIVABLES AS ON 30.06.2020 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.
- (8) IMPACT OF UPDATION OF EXCHANGE FLUCTUATION AS ON 30.06.2020 HAS BEEN TAKEN INTO ACCOUNT IN THE BOOKS OF ACCOUNTS AS PER THE REQUIREMENTS OF IND-AS-21. 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.
- (9) PARTYWISE AND FOREIGN CURRENCY WISE STATEMENT OF FOREIGN CURRENCY RECEIVABLE/PAYABLE AS ON 30.06.2020 HAS BEEN SUBMITTED.
- (10) DETAILS OF LEASES IN RESPECT OF IND AS 116 APPLICABLE W.E.F. 01.04.2019.
- (11) PARTYWISE/ITEMWISE/AGEWISE STATEMENT OF TRADE RECEIVABLES, LOANS ADVANCES, CLAIMS & OVERDUES AS ON 30.06.2020 IN THE PRESCRIBED FORMAT I.E. A-1 – A-4, B-1, B-2 & C SUBMITTED AS PER SCHEDULE
- (12) 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.
- (13) IT MAY ALSO BE ENSURED THAT THE FIGURES CONTAINED IN THE OVERDUES STATEMENT ARE MATCHED WITH QUARTERLY ACCOUNTS.
- (14) DETAILS OF FRAUD NOTICED, IF ANY, AS REQUIRED IN THE 'ANNEXURE' 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.

FOR TIMELY SUBMISSION OF THE DATA TO AUDITOR, ACCOUNTS & OVERDUE STATEMENT MAY BE SUBMITTED IN SOFT COPY 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

Yagalt
(ROOMA NAGRATH) 23/7/20
GM-F & CFO.

F & A CORPORATE ACCOUNTS DIVISION

File No: STC/CO/F&A/CA/01004/2017/24

Date: 23.07.2020

Sub: Quarterly accounts for the quarter ending on 30.06.2020

As per SEBI guidelines, the quarterly accounts for quarter ending on 30.06.2020 are to be published in the leading newspapers duly approved by the Board and reviewed by the statutory auditors within 45 days from the end of the quarter. Since due to lockdown closing of accounts for the year ending March 2020 already got extended and there is no extension for June 20 quarter yet, it has been decided to finalise the quarterly accounts for the quarter ended 30.06.2020 by 05.08.2020.

In view of this, the timeline for timely preparation of quarterly accounts will be as under:-

1. Accounts to be prepared as per the Accounting Policy 2019-20 uploaded on the STC's web site.
2. The quarterly accounts to be submitted along with corresponding previous year's quarter 30.06.2019 figures.
3. Classification of current assets and current liabilities: Assets and liabilities be classified as current and non-current strictly 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.

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- 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.
4. The accounting of following assets/liabilities would be in line with accounting treatment already adopted during 2019-20:-
- (a) Component-wise accounting in respect of PPE.
 - (b) Investment property.
 - (c) Amortization of fair value adjustment (discounting) in respect of advances to employees, EMD, deposits etc. is to be treated as under :
 - (i) Existing amortized value is to be accounted for the quarter on pro-rata basis.
 - (ii) The amortization in respect of transaction taken place upto 30th June. 2020 is to be worked out on the same line at par with F.Y. 2019-20 and pro-rata value for the period ended 30.06.2020 is to be accounted for.
 - (d) Impairment / Life time credit risk in respect of financial assets is to be taken into account as on reporting date wherever applicable.
 - (e) Prior period items (income/expenditure).
5. All bank accounts will be reconciled upto 30.06.2020.
6. HOR accounts would be reconciled upto the period ending 30.06.2020,
7. All Branches/Accounting Units at C.O. will have to obtain confirmation of balances of HOR accounts as on 30.06.2020. Confirmation of HOR balances (others) will be issued by F&A Corporate Accounts Division and HOR (Cash) will be issued by F&A Banking Division.
8. Branches/Accounting Units at C.O. have to submit Inter Branch Stock Receipt and Dispatches to F&A Corporate account division and have to obtain confirmation of balances on this account wherever applicable.
9. At Corporate Office all Accounting Units will transfer the bank balances (debit/credit) as on 30.06.2020 to F&A Banking Division.

10. Branches/Accounting Units will submit a statement of outstanding balances in foreign currencies receivables and payables as on 30.06.2020 stating party wise and foreign currency wise balances in the prescribed format.
11. Impact of exchange fluctuation will be taken into account by the respective branches and accounting units at C.O. as on 30.06.2020. The same will however be reversed on 1st July, 2020 as these are yet to be settled in subsequent period within the accounting year.
12. Branches/Accounting Units will have to ensure that the parties' accounts/ledger balances including contingent assets and contingent liabilities have been reviewed/reconciled as on 30.06.2020 to present a true & fair state of affairs. Balance confirmation to be obtained from each party.
13. All Branches/Accounting units will have to account for all outstanding payables/receivables as on 30.06.2020. In other words, no out of books entry has to be taken into account on accrual basis for the purpose of reporting in the quarterly account. Afterwards actual payments/receipts will be routed through parties' accounts.
14. 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.
15. Accounts comprising of quarterly accounts, segmental reporting and condensed balance sheet as on 30.06.2020 in the format prescribed by SEBI/ Schedule III of the Companies' Act 2013 will be reviewed by Statutory Auditors at C.O.
16. The reviewed accounts as above will be submitted to the Board for approval and then published in the leading newspapers as per the time limit prescribed by SEBI.
17. Time schedule for submission of accounts for the quarter ending 30.06.2020 is placed below in annexure 1.
18. After approval of the time line, necessary instructions for quarterly accounts for the period ended 30.06.2020 will be issued to Branches/Accounting Units at C.O. for necessary compliance.
19. Necessary formats for submission of the accounts for the quarter ended 30.06.2020 alongwith segment wise turnover, trading profits and capital employed, statement of receivables & payables in foreign currency, overhead expenditure, overdue statement, confirmation on compliance of internal financial control, certificate of no misleading and mis-statement in the financial statement is already uploaded on STC's website under Corporate Accounts for necessary action by all concerned officials.

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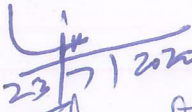
20. It has been noticed that the quarterly accounts complete in all respects are normally not being submitted by branches/accounts units at C.O. within time schedule fixed by the Competent Authority. Normally information on various issues and status notes are not timely finalized, discussed and submitted to the Statutory Auditors for timely clearance of account by auditors. This needs to be taken care of in order to submit the accounts in time.
21. The limited review for the quarter ended 30.06.2020 is to be carried out by Statutory Auditors M/s. H D S G & Associates, Chartered Accountants at the existing audit fees Rs.84,186/- plus applicable goods and service tax (GST) as approved by the Board.
22. Securities and Exchange Board of India (SEBI) vide notification No. SEBI/LED/NRO/GN/2018/10 dated 9th May, 2018 has inserted certain regulations to further amend the Securities and Exchange Board of India (Listed Obligations and Disclosure Requirements) Regulations, 2015. These regulations have come into force w.e.f. 1st April, 2019. Accordingly Listed entity is required to submit quarterly/year to date consolidated financial results for the quarter ended 30.06.2020.


Further Statutory Auditors of a listed entity shall take limited review of the audit of all entities/companies whose accounts are to be consolidated with the listed entity as per Ind AS 110 in accordance with guidelines issued by the SEBI vide Circular dtd. 29.03.2019.

MSD has been requested vide note dtd. 23.07.2020 for quarterly accounts as per the above requirements for the period ended 30.06.2020 in respect of STCL Ltd. and joint ventures/joint arrangements for consolidation purposes.

Submitted for approval please.


(D JAYANT)
DGM-F

JGM-F(LKJ) 
23/7/2020

GM-F & CFO 
23/7/20

Dir(F)-MMTC with addl. charge of DIR(F)-STC

F & A CORPORATE ACCOUNTS DIVISION

SCHEDULE FOR SUBMISSION OF ACCOUNTS FOR THE PERIOD
ENDING ON 30.06.2020

S.No.	Particulars	Last Date
1.	Booking of purchases & sales,	24.07.2020
2.	Submission of final HOR extract, and inter branch stock receipt / dispatch to Corporate Accounts Division	27.07.2020
3.	Bank Reconciliation, inter branch stock receipt / dispatch and HOR Confirmation etc.	27.07.2020
4.	Submission of final quarterly A/cs to Internal Auditor for clearance	31.07.2020
5.	Submission of all status notes by respective divisions at C.O as requested by Statutory Auditors	04.08.2020
6.	Submission of final quarterly A/cs including submission of Receivable & Payables statement (Annexure A1-A4, B-1, B-2) to Corporate accounts at C.O /Statutory Auditors at C.O	05.08.2020

