

प्रभाग  
DIVISION



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

No.2016/ STC/BS&P

08<sup>th</sup> August, 2016

BSE Limited Listing Dept./Dept. of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001  Scrip Code : <b>512531</b>	National Stock Exchange of India Limited Listing Department, Exchange Plaza, Plot No. C/I, G Block Bandra-Kurla Complex, Bandra (East), Mumbai- 400 051  Scrip Code: <b>STCINDIA-EQ</b>
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Dear Sir,

**Sub : Submission of Annexure – I (Statement on impact of Audit Qualification for the Financial Year ended 31-03-2016 (Consolidated))**

Pursuant to Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016 issued by the Securities and Exchange Board of India (SEBI), please find enclosed herewith Annexure – I i.e. Statement on Impact of Audit Qualifications on the Consolidated Annual Accounts of the Company for the Financial Year ended 31<sup>st</sup> March, 2016, under Regulation 33 of SEBI (LODR), (Amendment) Regulations, 2016.

This is for your information and record please.

Thanking you,

Yours faithfully,

(Kanchan Tripathi)  
Company Secretary

ANNEXURE - 1

THE STATE TRADING CORPORATION OF INDIA LIMITED  
CIN : L74899DL 1958GOI002674

Statement on impact of Audit Qualification for the Financial Year ended 31<sup>st</sup> March, 2016 along with Annual Audited Financial Results - (Consolidated)

Statement on impact of Audit Qualification for the Financial Year ended 31.03.2016  
[See Regulation 33/52 of the SEBI (LODR)(Amendment) Regulations, 2016]

(Rs. In Crore)				
Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (as reported after adjusting for qualifications)	
I.				
1.	Turnover/Total Income	10,857.90	10,857.90	
2.	Total Expenditure	11,320.12	11,320.14	
3.	Net Profit/(Loss)	(462.22)	(462.22)	
4.	Earnings Per Share	(77.04)	(77.04)	
5.	Total Assets	4857.87	4857.85	
6.	Total Liabilities	7142.77	7142.77	
7.	Net Worth	(2284.90)	(2284.92)	
8.	Any other financial item(s) (as felt appropriate by the management)	Also refer Emphasis of Matter paragraph in the Auditor's Report		
II.	<b>Audit Qualification (each audit qualification separately)</b>			
	<b>Audit Qualification - 1</b>			
	<b>a. Details of Audit Qualification:</b>		With respect to Subsidiary company, provision for liability towards earned leave and half pay leave encashment of Rs. 0.76 crore, Gratuity provision of Rs. 0.15 crore as on 31 March, 2016 and post retirement medical benefits is not made on the basis of Actuarial valuation as required under 'AS-15 Revised'. In the absence of Actuarial reports, we are unable to quantify the impact if any on the consolidated financial statements.	
	<b>b. Type of Audit Qualification : Qualified Opinion/Disclaimer of</b>		Qualified	


Opinion/Adverse Opinion	
<p>c. Frequency of qualification : Whether appeared first time / repetitive/ since how long continuing</p> <p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p>e. For Audit Qualification(s) where the impact is not quantified by the auditor.</p> <p>(i) Management's estimation on the impact of audit qualification</p> <p>(ii) If management is unable to estimate the impact, reasons for the same:</p> <p>(iii) Auditors' Comments on (i) or (ii) above:</p>	<p>Since 2011-12</p> <p>N.A.</p> <p>N.A.</p> <p>Not Possible.</p> <p>The subsidiary company has made the provision of earned leave &amp; half pay leave encashment of Rs. 0.03 crore in the accounts on the basis of salaries as on 31.03.2016. However no actuarial valuation is done as number of employees is very less.</p> <p>With regard to Gratuity, company has taken Group Gratuity Scheme to cover gratuity payable to employees. The Premium amount paid to LIC for the year has been debited to Profit &amp; Loss Account.</p> <p>Nil</p>
<p><u>Audit Qualification – 2</u></p> <p>a. Details of Audit Qualification:</p> <p>b. Type of Audit Qualification : Qualified Opinion/Disclaimer of</p>	<p>With respect to Subsidiary company audited PF trust accounts for the year ended 31.3.2016 were not provided, in the absence of audited PF trust account, we are unable to comment thereon.</p> <p>Qualified</p>








<p>Opinion/Adverse Opinion</p> <p>c. Frequency of qualification : Whether appeared first time / repetitive/ since how long continuing</p> <p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p>e. For Audit Qualification(s) where the impact is not quantified by the auditor.</p> <p>(i) Management's estimation on the impact of audit qualification</p> <p>(ii) If management is unable to estimate the impact, reasons for the same:</p> <p>(iii) Auditors' Comments on (i) or (ii) above:</p>	<p>Since 2014-15</p> <p>N.A.</p> <p>Not Possible.</p> <p>The subsidiary company is in the process of finalizing the PF trust Accounts and the same will be completed during the financial year 2016-17.</p> <p>Nil.</p>
<p><u>Audit Qualification -3</u></p> <p>a. Details of Audit Qualification:</p>	<p>An amount towards the deferential tax between refund due for the AY 2009-10 and tax payable for AY 2010-11 amounting to Rs. 0.70 crore deposited with the Income Tax Department is shown under Loans and Advances. The amount of refund granted (after adjustment with liability upto AY 2010-11) is more than refund receivable shown in books for the related assessment years. The difference has been considered as the Interest Income and accounted accordingly by the subsidiary company without adjusting towards aforementioned tax deposited. Since the Subsidiary company has not received assessment order and no other documentary evidences were available, we are not able to comment whether the amount</p>




<p>b. <b>Type of Audit Qualification :</b> Qualified Opinion/Disclaimer of Opinion/Adverse Opinion</p> <p>c. <b>Frequency of qualification :</b> Whether appeared first time / repetitive/ since how long continuing</p> <p>d. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p> <p>e. <b>For Audit Qualification(s) where the impact is not quantified by the auditor.</b></p> <p>(i) <b>Management's estimation on the impact of audit qualification</b></p> <p>(ii) <b>If management is unable to estimate the impact, reasons for the same:</b></p> <p>(iii) <b>Auditors' Comments on (i) or (ii) above:</b></p>	<p>refunded is inclusive of the payment made by the company to the income tax department amounting to Rs. 0.70 crore.</p> <p><b>Qualified</b></p> <p><b>Appeared First Time</b></p> <p>N.A.</p> <p>Not Possible.</p> <p>Factual. However the company is in process of obtaining the details of the tax adjusted. Based on the outcome, steps will be taken to adjust difference if any during the financial year 2016-17.</p> <p>Nil.</p>
<p><b>Audit Qualification - 4</b></p> <p>a. <b>Details of Audit Qualification:</b></p>	<p>In respect of subsidiary company the audited financial statements of the joint venture company i.e. M/s NSS Satpura Agro Development Co. Ltd is not available after 31st March 2013, hence further diminution in the value of Rs 0.02 crore is not considered in consolidated accounts as result investments are overstated by Rs 0.02 crore and accumulated loss is understated by Rs 0.02 crore.</p>



<p>b. <b>Type of Audit Qualification :</b> Qualified Opinion/Disclaimer of Opinion/Adverse Opinion</p> <p>c. <b>Frequency of qualification :</b> Whether appeared first time / repetitive/ since how long continuing</p> <p>d. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p> <p>e. <b>For Audit Qualification(s) where the impact is not quantified by the auditor.</b></p> <p>(i) Management's estimation on the impact of audit qualification</p> <p>(ii) If management is unable to estimate the impact, reasons for the same:</p> <p>(iii) Auditors' Comments on (i) or (ii) above:</p>	<p>Qualified</p> <p>Since 2014-15</p> <p>Necessary action will be taken in the financial year 2016-17</p> <p>N.A.</p> <p>N.A.</p> <p>Nil</p>
<p>III. <u>Signatories</u></p> <ul style="list-style-type: none"> <li>• CMD : </li> <li>• Director Finance: </li> <li>• Audit Committee Chairman : </li> <li>• Statutory Auditor - P. Jain &amp; Company : </li> </ul> 