

ANNUAL REPORT 1998-99

STC - INDIA'S TRADING ARM AROUND THE WORLD

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THE STATE TRADING CORPORATION OF INDIA LIMITED

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COVER: CORE THOUGHT

The design captures the global dimension of STC's operations and places it in the context of the incipient dawn of the new millennium. The 'golden' light falling on portions of the globe presages the next millennium, which is around the corner. The 'see-through' nature of the globe stands for the 'vision' and 'transparency' of STC. The mixture of dark blue and black tints represent the primordial 'hues' of the universe in which our planet revolves.

'STC- India's trading arm around the world'


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ABOUT US

Stirring up the trade winds to take India's diverse products and services all around the globe. To earn the much needed precious foreign exchange for the country. And procuring vital raw material to keep India's manufacturing sector humming. All adding up to a boost in the nation's Gross National Product (GNP) through two way trading activities. And much more.

In the process, our eventful track record of 43 years have helped us to gear ourselves to face the fierce competitive challenges, seize business initiatives and build on core competencies. In short STC is, future-ready, to take advantage of the opportunities in the new millennium, with confidence and imagination.

MAJOR BUSINESS SECTORS

EXPORTS : Agricultural commodities-sugar, coffee, tea, rice, castor seeds/castor oil and oilseed extractions, pulses, consumer products including durables, chemicals, drugs & pharmaceuticals, engineering & construction material, food products, rubber, jewellery, sports goods, leather goods, textiles/jute goods etc.

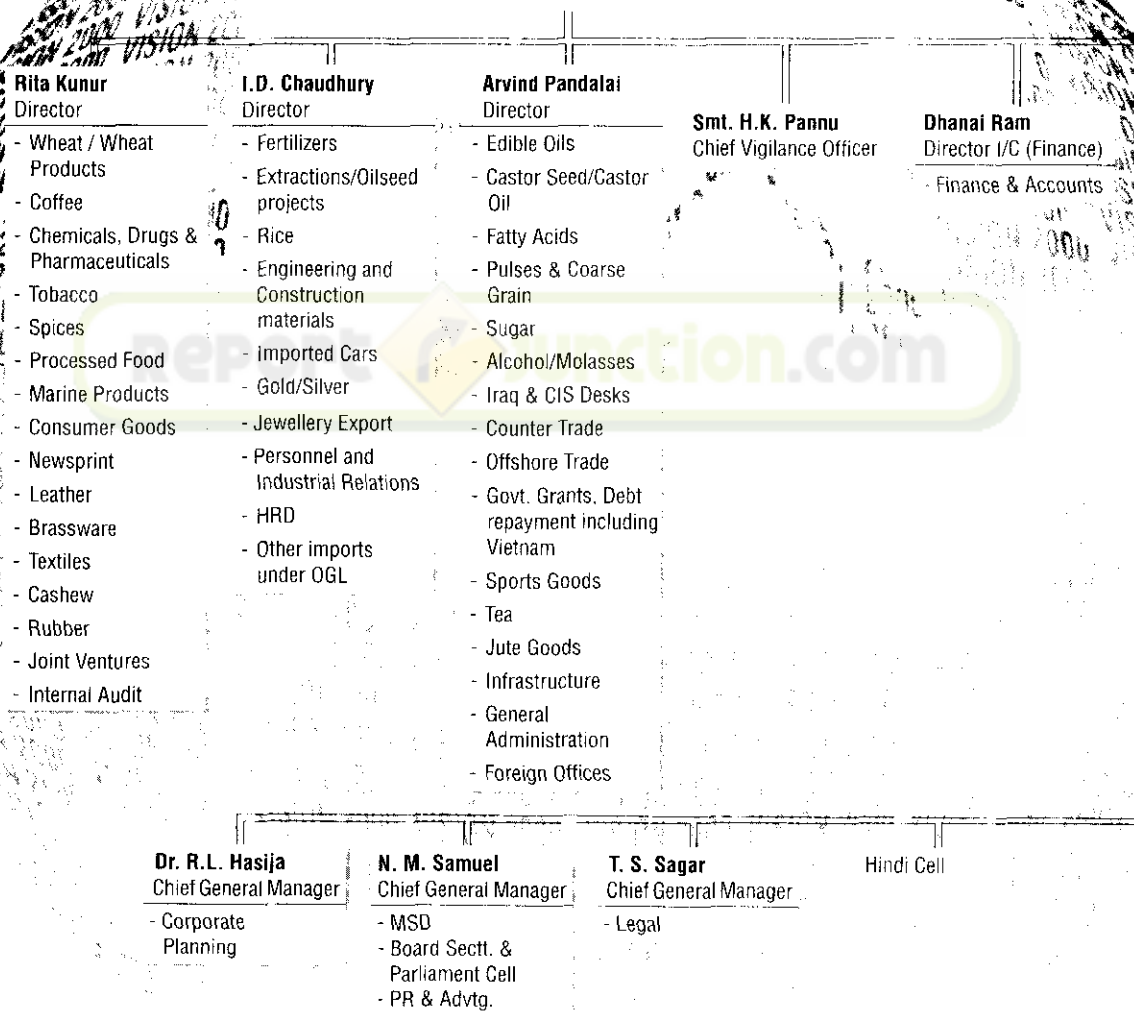
IMPORTS : Agricultural commodities-pulses, edible oils, fatty acids, fertilizers, sugar, gold/silver

SERVICE TO INDIAN EXPORTERS : Financial Assistance, Marketing infrastructure, Participation in trade fairs & exhibitions, Supply of imported machinery and raw materials, Testing facilities.



ORGANISATION CHART

Dr. S.M. DEWAN
Chairman & Managing Director





संस्कृत सेवाएँ

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NOTICE

Notice is hereby given that the 43rd Annual General Meeting of the State Trading Corporation of India Ltd. will be held at 4 PM on Wednesday, the 29th September, 1999 at the registered office of the Corporation at 'Jawahar Vyapar Bhawan', Tolstoy Marg, New Delhi - 110001 to transact the following business:-

- 1) To receive and adopt the Directors' Report and audited Balance Sheet and Profit & Loss Account of the Corporation for the year ended 31st March, 1999.
- 2) To declare a dividend.
- 3) To ratify the appointment of Shri S.B. Mohapatra as part-time Director of the company.
- 4) To reappoint Miss Rita Kunur, who retires by rotation at the AGM, as a whole time Director of the Company on the terms & conditions approved by the President of India from time to time. Being eligible, she has offered herself for reappointment.
- 5) To reappoint Shri I.D. Chaudhury, who retires by rotation at the AGM, as a whole-time Director of the Company on the terms & conditions approved by the President of India from time to time. Being eligible, he has offered himself for reappointment.

NOTES:

- (a) The Explanatory statement pursuant to Section 173 of the Companies Act, 1956, in respect of Item No. 3 is annexed.
- (b) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member (proxy form is enclosed).
- (c) The Register of Members and Share Transfer Books of the Company shall remain closed from 15th to 30th September, 1999 (both days inclusive).
- (d) Members are requested to bring with them copy of Annual Report and Attendance Slip at the Annual General Meeting.

BY ORDER OF THE BOARD OF DIRECTORS

(N.M. SAMUEL)
CGM & COMPANY SECRETARY

NEW DELHI

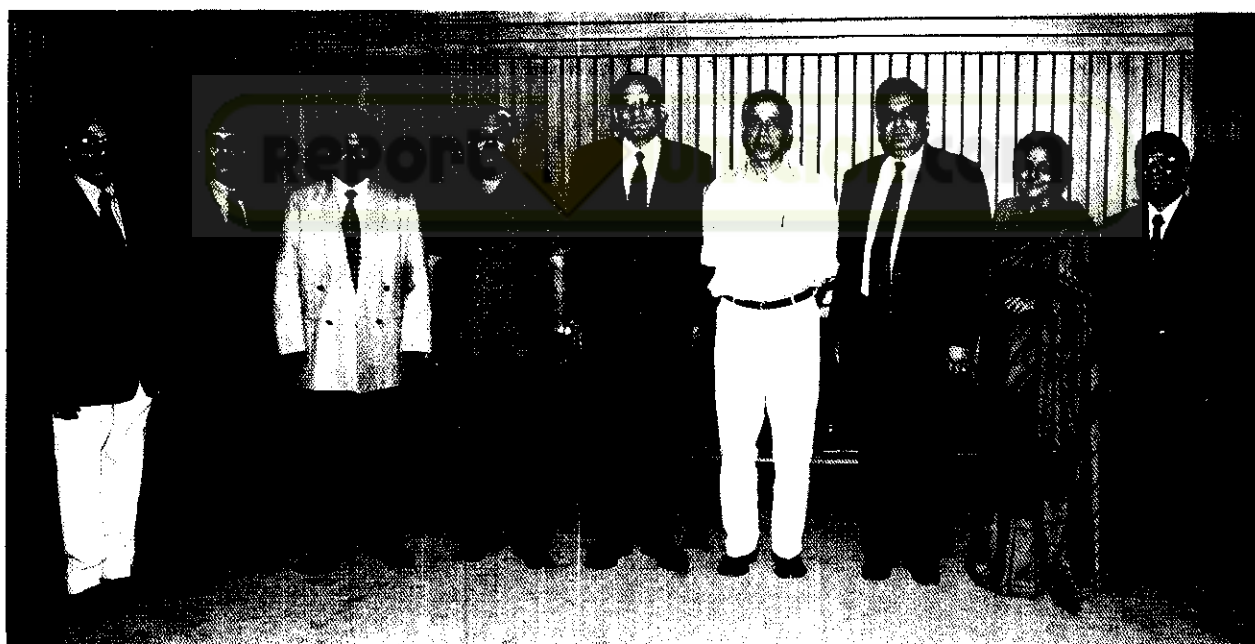
DATED: 1/9/99

To:- — Members
 — Auditors

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM NO.3

Shri S.B. Mohapatra, Additional Secretary & Financial Adviser, Ministry of Commerce was appointed by the President of India as part-time Director of the Corporation w.e.f. 11.6.99 vide Ministry of Commerce OM No. 1/2/96/FT (ST) dated 11.6.99. The Board of Directors at its 496th meeting held on 13.7.99 has also approved his appointment as part-time Director.

Shri S.B. Mohapatra is interested in this Resolution as it concerns him.



STC Board



BOARD OF DIRECTORS

CHAIRMAN & MANAGING DIRECTOR



Dr. S.M. Dewan

DIRECTORS



Rita Kunur



I.D. Chaudhury



Arvind Pandalai

CHAIRMAN & MANAGING DIRECTOR

Dr. S.M. Dewan

DIRECTORS

Miss Rita Kunur

Shri I.D. Chaudhury

Shri Arvind Pandalai

EX-OFFICIO DIRECTORS

Shri N. Misra

Shri S.D. Kapoor

Shri S.B. Mohapatra (From 11.6.99)

Shri D.P. Bagchi (Upto 11.6.99)

CGM & COMPANY SECRETARY

Shri N.M. Samuel



CHIEF GENERAL MANAGERS



Dr. R.L. Hasija



B.R. Mina



P. Kumar



Dhanai Ram



Tek Chand



T.S. Sagar



Dr. M. Mhaske



S.R. Verma



G.R. Arora



N.M. Samuel



C.D. Vasantharaj



V.K. Agarwal

Dr. R.L. Hasija

Gold & Gold Jewellery, Imported Cars, Personnel & Industrial Relations, Establishment & Welfare, HRD, Corporate Planning.

B.R. Mina

Extractions, Oilseed Projects, Herbal Products.

P. Kumar

Coffee, Cashew, Tobacco, Wheat Flour, Natural Rubber, Textiles & Garments, Fresh & Processed Food, Marine Products, Consumer Goods.

Dhanai Ram

Finance & Accounts, Corporate Accounts, Budget & Management Reporting, Fund Management, Subsidiary.

Tek Chand

Engineering & Construction Materials, Software, Nonferrous metals, OGL Imports, General Imports.

T.S. Sagar

Castor Oil & Seed, Kerosene Oil, Fatty Acids, General Administration, Maintenance of Building & Project, Housing Colony, Security, Travel, Protocol, Legal.

Dr. M. Mhaske

Branch Manager, STC - Hyderabad.

S.R. Verma

Fertilizers, Rice.

G.R. Arora

Finance & Accounts, Funds Management, Income Tax, Corporate Accounts, Budget & Management Reporting, Subsidiary.

N.M. Samuel

MSD, Board Sectt. & Parliament Cell, PR & Advertising, Joint Ventures, Foreign Offices, Infrastructure.

C.D. Vasantharaj

Branch Manager, STC - Mumbai

V.K. Agarwal

Branch Manager, STC - Calcutta

CORPORATE/REGISTERED OFFICE:

THE STATE TRADING CORPORATION OF INDIA LTD.

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Fax : 011-3701123, 3706459, E-Mail : stc.ofindia@gems.vsnl.net.in

Internet : stc @ giasd101vsnl.net.in

Website : www.stc india.com

BANKERS

STATE BANK OF INDIA

BANK OF INDIA

STATUTORY AUDITORS

B.R. Maheshwari & Co.

Chartered Accountants,
New Delhi



DIRECTORS' REPORT

The Board of Directors has pleasure in presenting the 43rd Annual Report on the working of the Corporation together with audited statement of accounts for the year ended 31st March, 1999.

ECONOMIC ENVIRONMENT

The country's exports have been showing a decelerating trend since 1996-97. After three successive years of robust growth at an annual average of 19.7 percent during 1993-94 to 1995-96, export momentum slowed down in 1996-97 with exports registering a modest growth of 5.3 per cent and decelerating further to 1.5 per cent in 1997-98. The exports during 1998-99 have registered a decline of one percent over the last year.

Both global and domestic factors have contributed to the slowdown in India's export growth since 1996-97. The crisis in the ASEAN countries and South Korea has led to a significant import reduction by these countries. Since the share of these countries in India's exports was about one-sixth (pre-crisis), India could not escape the fallout from the import compression of this magnitude.

The slowdown in global growth and international trade has also led to the

introduction of protectionist measures in some countries. These have primarily taken the form of non-tariff barriers like more stringent quality, testing and labelling standards and increased investigations of dumping and subsidies. Exports of agricultural commodities are particularly subjected to quality restrictions with the increasing concern regarding health and safety of human, plant and animal life. This has contributed to uncertainty in foreign trade and some market disruption.

The production of wheat in the country, which had fallen to 65.9 million tonnes during 1997-98, grew to about 69 million tonnes during 1998-99 obviating the need for further imports. On the other hand, country's exports of oil meals suffered a major setback due to lack of parity between domestic and international prices.

The performance of the Corporation has to be viewed against the backdrop of declining exports of the country and much lower canalised and Government supported business now left with the Corporation as a result of continued liberalisation of India's foreign trade.



*Castor seeds & oil –
major foreign exchange earner for STC*